

Argonaut Resources NL

Level 6,
100 Pirie Street
Adelaide SA 5000
ACN: 008 084 848

Argonaut Resources NL

Notice of 2020 Annual General Meeting

Explanatory Statement | Proxy Form

Tuesday 10th November 2020

12:00PM AEDT

Address

Level 6, 100 Pirie Street, Adelaide SA 5000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 12:00PM AEDT on Tuesday 10th November 2020 at Level 6, 100 Pirie Street, Adelaide SA 5000.

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by proxy

Proxies can be appointed by completing the Proxy Form and lodging:

- Online <https://www.votingonline.com.au/argonautagm2020>
- By mail to:
Argonaut Resources NL
C/- Boardroom Pty Limited
GPO Box 3993,
Sydney, NSW 2001
- By fax to the Share Registry on facsimile number +61 (0)2 9290 9655

All enquiries about proxies should be directed to the Share Registry, contactable on: (+61) 1300 737 760

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Argonaut Resources NL ACN 008 084 848 will be held at 12:00PM AEDT on Tuesday 10th November 2020 at Level 6, 100 Pirie Street Adelaide SA 5000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00PM AEDT on 8th November 2020.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30th June 2020 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Resolutions

Remuneration Report

1. **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30th June 2020.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

Re-election of Directors

2. **Resolution 2 – Re-election of Malcolm Richmond as Director:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Malcolm Richmond, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4 and being eligible offers himself for re-election as a Director of the Company, effective immediately.”

Ratify Prior Issues of Shares

3. **Resolution 3 – Ratify Prior Issue of Shares to Sophisticated and Professional Investors, previously issued in accordance with ASX Listing Rule 7.1.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of 295,003,456 shares, at \$0.0055 per share, to sophisticated and professional investors under the equity placement announced on 23 September 2020 (**Placement**) on the terms summarised in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a person who participated in the issue; or
- any Associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. **Resolution 4 – Ratify Prior Issue of Shares to Sophisticated and Professional Investors, previously issued in accordance with ASX Listing Rule 7.1A.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the issues of 196,632,913 shares, at \$0.0055 per share, to sophisticated and professional investors under the Placement on the terms summarised in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a person who participated in the issue; or
- any Associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ASX Listing Rule 7.1A (Additional 10% Capacity)

5. Resolution 5 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

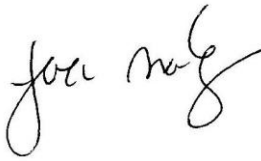
Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a person who participated in the issue; or
- any Associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD



Joanna Morbey
Company Secretary

Explanatory Statement

1 Introduction

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 12:00PM AEDT on Tuesday 10th November 2020 at Level 6, 100 Pirie Street, Adelaide SA 5001.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

This Explanatory Statement includes the following information to assist Shareholders in deciding how to vote on the Resolutions

Section 1	Introduction
Section 2	Annual Financial Report
Section 3	Resolution 1- Adoption of Remuneration Report
Section 4	Resolution 2 – Re-election of Mr Malcolm Richmond as a Director
Section 5	Resolutions 3 & 4 – Ratify Prior Issue of Shares under Listing Rule 7.1 and 7.1A
Section 6	Resolution 5 – Approval of Future Issue of Securities under Listing Rule 7.1A
Section 7	Enquiries
Section 8	Glossary
Annexure A	Details of issues of equity securities in preceding 12-month period.

2 Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30th June 2020 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report which are included in the Company's Annual Financial Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <https://www.argonautresources.com/site/Investors/annual-reports>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by Monday 2nd November 2020.

Resolutions

3 Resolution 1

– Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <https://www.argonautresources.com/site/Investors/annual-reports>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2021 Annual General Meeting (**2021 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2021 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2021 AGM. All of the Directors who were in office when the 2020 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation

Note: a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. Shareholders are urged to read the Proxy Form carefully and to provide a direction to the proxy on how to vote on this Resolution.

Board Recommendation: *The Remuneration Report forms part of the Directors' Report which was approved in accordance with a unanimous resolution of the Board. Each Non-Executive Director recommends that Shareholders vote in favour of adopting the Remuneration Report.*

4 Resolution 2

– Re-election of Mr Malcolm Richmond as Director

The Company's Constitution requires that one third of the Directors (or if their number is not a multiple of three, then the number nearest to one third) must retire at each annual general meeting. The retiring Directors must not be a Managing Director. The Directors to retire at the annual general meeting are those who have been in office the longest since their last election.

ASX Listing Rule 14.4 also provides each Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Malcolm Richmond was last re-elected as a Director at the 2017 AGM.

Under this Resolution, Malcolm Richmond has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Brief Curriculum Vitae of Mr Malcolm Richmond - Non-executive Director

Experience and expertise

Mr Richmond joined the Board of Argonaut on 14 March 2012.

Mr Richmond has 30 years' experience with the Rio Tinto and CRA Groups in a number of positions including: Vice President, Strategy and Acquisitions; Managing Director, Research and Technology; Managing Director, Development (Hamersley Iron Pty Limited) and Director of Hismelt Corporation Pty Ltd. He was formerly Deputy Chairman of the Australian Mineral Industries Research Association and Vice President of the WA Chamber of Minerals and Energy.

Mr Richmond has also served as a Member on the Boards of a number of public and governmental bodies and other public listed companies.

He is a qualified metallurgist and economist with extensive senior executive and board experience in the resource and technology industries both in Australia and internationally. His special interests include corporate strategy and the development of markets for internationally traded minerals and metals - particularly in Asia.

Mr Richmond served as Visiting Professor at the Graduate School of Management and School of Engineering, University of Western Australia until January 2012 and is a Fellow of the Australian Academy of Technological Sciences & Engineering, a Fellow of Australian Institute of Mining and Metallurgy and a Member of Strategic Planning Institute (US).

Current Directorships of other listed companies

None

Former Directorships of other listed companies in the last three years

Strike Resources Limited

***Directors' recommendation:** The Directors (with Mr Richmond abstaining) recommend that Shareholders vote in favour of this Resolution.*

5 Resolutions 3 and 4

– Ratify Prior Issue of Shares to Sophisticated and Professional Investors, previously issued in accordance with ASX Listing Rule 7.1 and 7.1A.

5.1 General

As announced to ASX on 23 September 2020, the Company has successfully completed a private placement to sophisticated and professional investors (**Placement**) of 491,636,369 new ordinary shares at an issue price of \$0.0055 per Share (**Placement Shares**), raising approximately \$2.7million in new capital (before costs) for the Company.

The funds raised for the issue of the Placement Shares will be used for the purposes set out in section 5.4.

295,003,456 of the Placement Shares that were issued on 2nd October 2020 (**Issue Date**) within the Company's 15% capacity permitted under ASX Listing Rule 7.1 (**Resolution 3 Placement Shares**).

196,632,913 of the Placement Shares that were issued on the Issue Date within the Company's additional 10% annual limit permitted under Listing Rule 7.1A approved by shareholders at the 2019 Annual General Meeting on 20 November 2019 (**Resolution 4 Placement Shares**).

The Placement was conducted in conjunction with a Share Purchase Plan (**SPP**) offering Shares to existing Shareholders at the same terms, including as to issue price, as those offered under the Placement, as announced on 23 September 2020. The SPP is currently scheduled to close on 16 October 2020. As the SPP is being conducted under Exemption 5 in Listing Rule 7.2 and in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/54*, separate Shareholder approval for the issue of Shares under the SPP will not be required and will not count toward the Company's placement capacity under Listing Rule 7.1 or 7.1A. Further details of the SPP will be announced separately, following the allotment date under the SPP, expected to occur on or around 23 October 2020.

5.2 Listing Rule 7.1, 7.1A and 7.4

Broadly speaking, and subject to a number of exceptions:

- Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.
- Listing Rule 7.1A provides that a company must not without the approval of shareholders, issue or agree to issue during any 12 month period, any equity securities if the number of those securities exceeds an additional 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period approved by shareholders at the 2019 Annual General Meeting on 20 November 2019.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 provided that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purposes of Listing Rule 7.1.

Resolutions 3 and 4 seek Shareholder approval for the ratification of the issue of the Placement Shares pursuant to Listing Rule 7.4.

The effect of Shareholders passing **Resolution 3** will be to restore the Company's future ability to issue securities within the 15% placement capacity under Listing Rule 7.1 without obtaining prior Shareholder approval.

The effect of Shareholders passing **Resolution 4** will be to deem that the Resolution 4 Placement Shares were issued with Shareholder approval and they will not be counted for the purpose of calculating the Company's 10% additional capacity under Listing Rule 7.1A. The Company's existing capacity to issue shares without Shareholder approval under Listing Rule 7.1A will expire as at the date of the Meeting, subject to Shareholders approving **Resolution 5** (as explained in section 6).

5.3 Technical information required by Listing Rule 14.1A

If **Resolutions 3 and 4** are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the Issue Date.

If **Resolutions 3 and 4** are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the Issue Date.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of securities following this Meeting remains conditional on **Resolution 5** being passed at this Meeting.

5.4 Information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the Company provides the following information in relation to **Resolutions 3 and 4**:

- The number of Resolution 3 Placement Shares issued under Listing Rule 7.1 (and for which ratification is sought under **Resolution 3**) was 295,003,456
- The number of Resolution 4 Placement Shares issued under Listing Rule 7.1A (and for which ratification is sought under **Resolution 4**) was 196,632,913
- The 491,636,369 total Placement Shares were issued at an issue price of \$0.0055 each, to raise approximately \$2.7 million in total (before costs);
- The Placement Shares were issued on the Issue Date;
- All Placement Shares are fully paid ordinary shares and rank equally with, and are on the same terms as, the exiting ordinary shares on issue;
- Placement Shares were allotted to professional and sophisticated investor applicants identified by the Board (as to 19%) and with assistance from four independent Financial Service Licence Holders (as to 81%). None of the allottees is:
 - a related party of the Company;
 - a member of the Company's key management personnel;

- an existing substantial holder in the Company;
 - an adviser to the Company; or
 - an associate of any of the above;
- (g) Funds raised are primarily to be used for drill testing copper targets at the Company's 100% held Murdie Project in South Australia, to complete a scoping economic study of the Nyungu copper-cobalt deposit at Lumwana West in North-western Zambia and for working capital; and
- (h) A voting exclusion statement for **Resolutions 3 and 4** is included in the Notice of Meeting

5.5 Board Recommendation

The Directors recommend that Shareholders approve Resolutions 3 and 4

6 Resolution 5

– ASX Listing Rule 7.1A Approval of Future Issue of Securities

6.1 General

ASX Listing Rule 7.1A enables Eligible Entities (as defined below) to seek Shareholder approval by Special Resolution passed at an annual general meeting to issue equity securities (which must be in the same class as an existing quoted class of equity securities of the Company) which do not exceed 10% of the existing ordinary share capital without further Shareholder approval. The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

An Eligible Entity for the purposes of Listing Rule 7.1A is an entity that, at the date of the annual general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company is an Eligible Entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

Approval under this Resolution is sought for the Company to issue equity securities under Listing Rule 7.1A.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (ii) plus the number of partly paid ordinary securities issued in the 12 months on the conversion of convertible securities within rule 7.2 exception 9 where:
 - a. the convertible securities were issued or agreed to be issued before the commencement of the 12 month period; or
 - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - (iii) plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - a. the agreement was entered into before the commencement of the 12 month period; or

- b. the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4.
 - (iv) plus the number of any other fully paid ordinary securities issued in the 12 month period with approval under Listing Rule 7.1 or Listing Rule 7.4 (which may include fully paid ordinary securities issued in the 12 month period under an agreement to issue securities within Listing Rule 7.2 exception 17 where the issue is subsequently approved under Listing Rule 7.1);
 - (v) plus the number of partly paid ordinary securities that became fully paid in the 12 month period;
 - (vi) less the number of fully paid ordinary securities cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of this Resolution will be to allow the Company to issue equity securities under Listing Rule 7.1A up to 10%, without using the Company's 15% placement capacity under Listing Rule 7.1.

As at 3 October 2020, the Company has on issue 2,458,326,075 fully paid ordinary securities and therefore has capacity to issue:

- (a) 368,748,011 equity securities under Listing Rule 7.1 (subject to Resolution 3 being approved); and
- (b) subject to Shareholder approval being obtained under this Resolution, 245,832,608 equity securities under Listing Rule 7.1A.

6.2 Technical Information required by ASX Listing Rule 7.1A

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5.

(a) *Minimum Price*

Equity securities issued under Listing Rule 7.1A.2 must be in an existing quoted class of the Company's equity securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average market (closing) price (**VWAP**) for securities in that class calculated over the 15 days on which trades in that class were recorded immediately before either:

- (i) the date on which the price at which the equity securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the equity securities are not issued within 10 ASX Trading Days of the date in paragraph (a) the date on which the securities are issued.

(b) *Date of Issue*

If Shareholders approve **Resolution 5**, the Company may make an issue of equity securities under Listing Rule 7.1A at any time commencing on the date of the 2020 Annual General Meeting (either on a single date or progressively) and up until the earlier of:

- (i) the date which is 12 months after the date of the 2020 Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Accordingly, the approval given if this Resolution is passed will cease to be valid on the earlier of 5th November 2021, the date of the Company's next annual general meeting or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

(c) *Voting Dilution*

If **Resolution 5** is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted. There is a risk that:

- (i) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- (ii) the equity securities issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue.

The table set out below shows the dilution of existing Shareholders on the basis of:

- The market price of the Company's ordinary shares and the number of ordinary shares as at 23rd September 2020.
- Two examples where the number of ordinary shares on issue ("A") has increased, by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by Shareholders.
- Two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the market price as at 23rd September 2020.

Variable "A" ASX Listing Rule 7.1A.2		Dilution		
		\$0.0035 50% decrease in issue price	\$0.007 issue price **	\$0.014 100% increase in issue price
"A" is the number of shares on issue, being 2,458,326,075 *** shares	10% voting dilution	245,832,608	245,832,608	245,832,608
	Funds raised	\$860,414.13	\$1,720,828.24	\$3,441,656.51
"A" is a 50% increase in shares on issue, being 3,687,489,113 *** shares	10% voting dilution	368,748,911	368,748,911	368,748,911
	Funds raised	\$1,290,621.19	\$2,2581,242.38	\$5,162,484.76
"A" is a 100% increase in shares on issue, being 4,916,652,150 *** shares *	10% voting dilution	491,665,215	491,665,215	491,665,215
	Funds raised	\$1,720,828.25	\$3,441,656.51	\$6,883,313.01

Notes:

- (i) The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.
- (ii) The table assumes that no options are exercised in ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (iv) The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.
- (v) The issue of equity securities under the Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes Options and/or Performance Rights, it is assumed that those Options and/or Performance Rights are exercised (or converted) into ordinary shares for the purposes of calculating the voting dilution effect on existing Shareholders.

* Any issue of equity securities is required to be made in accordance with the Listing Rules. Any issue made other than under the Company's 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require Shareholder approval.

** Based on the closing price of the Company's Shares on ASX on 25 September 2020.

*** Based on the Company's Share structure as at 3 October 2020. (after the issue of the placement shares)

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further Shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

If **Resolution 5** is not approved the Company may still issue up to 15% of its issued capital without Shareholder approval under Listing Rule 7.1 but will not be able to issue the additional 10% of its issued

capital under Listing Rule 7.1A without Shareholder approval and the dilutionary effects relating to this additional Listing Rule 7.1A capacity outlined above will not apply.

(d) Purpose of Issue under Listing Rule 7.1A mandate

As at the date of this Explanatory Statement, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- (i) raising funds to further develop the Company's business; and
- (ii) raising funds to be applied to the Company's working capital requirements.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- (i) the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- (ii) the potential effect on the control of the Company;
- (iii) the Company's financial situation and the likely future capital requirements; and
- (iv) advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

(e) Compliance with ASX Listing Rule 7.1A.4

When the Company issue equity securities pursuant to the Listing Rule 7.1A mandate, it must:

- (i) state in its announcement of the proposed issued under rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A; and
- (ii) give to ASX immediately after the issue a list of names of the persons to whom the Company issued the equity securities and the number of equity securities issued to each. This list is not for release to the market.

(f) Allocation policy under the 10% Placement Capacity

- (i) The allottees may comprise existing Shareholders or new investors or a combination of both. The allottees will be determined by the Board, taking into account:
 - alternative options for raising funds if applicable. For example, the Board will consider whether it is appropriate to raise required funds by way of an entitlement issue;
 - the purpose of the issue;
 - the impact of the issue on the control of the Company;
 - market conditions and the financial position of the Company; and
 - if applicable, advice from external advisors
- (ii) the Company does not yet know the names of the allottee or, other than described above, the basis on which they will be identified or selected.
- (iii) The Company notes that:
 - the Board has formed no specific intentions to offer any placement to any existing Shareholder, class of Shareholders or new investors;

- the Board will, prior to making any placement, consider whether the raising of funds could be achieved by means of an entitlement issue to existing Shareholders.

(g) *Previous approval under ASX Listing Rule 7.1A*

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting on 20 November 2019 (**Previous Approval**).

The Company has issued 196,632,913 Shares pursuant to the Previous Approval. These Shares were issued as part of a placement on 23 September 2020 (and are the subject of Resolution 4, seeking Shareholder Approval to their issue in accordance Listing Rule 7.4).

During the 12 month period preceding the date of the Meeting, the Company otherwise issued a total of 903,945,458 Shares which represents approximately 58% of the total diluted number of equity securities on issue in the Company on 10 November 2019, which was 1,554,380,617 (post consolidation basis).

Further details of the issue of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Annexure A.

This Resolution is a Special Resolution.

For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

6.3 Voting Exclusion

A voting exclusion statement is included in the Notice of Meeting. As at the date of this Notice of Meeting, the Company has not invited any existing Shareholders to participate in an issue of equity securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

6.4 Board recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

7 Enquiries

Shareholders are asked to contact the Company Secretary on jo@argonautresources.com if they have any queries in respect of the matters set out in these documents.

8 Glossary

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual Financial Report means the 2020 Annual Report to Shareholders for the period ended 30th June 2020 as lodged by the Company with ASX on 30 September 2020.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of Ernst & Young dated 30 September 2020 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Argonaut Resources NL ACN 008 084 848.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or "**\$**" means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Issue Date means the date on which the Placement Shares, the subject of Resolutions 3 and 4 were issued, being 3 October 2020

KMP means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated 10th November 2020 including the Explanatory Statement.

Option means an option which, subject to its terms, could be exercised into a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Placement means the private placement announced on 23 September 2020 and as defined in section 5 of this Explanatory Statement.

Placement Shares is defined in section 5 of this Explanatory Statement

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares and/or Options (as the context requires).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Boardroom Pty Limited, Level 12, 225 George Street, Sydney, NSW 2000.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Spill Meeting means the meeting that will be convened within 90 days of the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

VWAP means the volume weighted average market (closing) price, with respects to the price of Shares.

Annexure A - Details of issues of Equity Securities in the preceding 12-month period

Date	Class of equity securities issued	Allottees of equity securities or basis of allotment	Issue or Exercise price per equity security	Discount to market price (if any)	Number of Ordinary Shares / Unlisted Options	Total cash consideration raised	Amount of cash consideration spent, what it was spent on and proposed application of balance of funds raised
26/11/2019	Ordinary fully paid shares	Allotted under Employee Incentive Plan	\$0.00	N/A	24,000,000	N/A	N/A
12/5/2020	Ordinary fully paid shares	Placement to sophisticated and professional investors identified by the Board (7%) managed by Henslow Pty Limited and with assistance from three independent Financial Service Licence Holders (as to 93%)	\$0.0033	21% to 15-day VWAP	388,309,089	\$1,281,420	Amount spent at 25 September: \$711,420 Amount remaining at 25 September: \$570,000 Spent on: The drilling of the Higginsville Gold project in Western Australia, ground gravity survey at the Murdie Project on South Australia and working capital. The remaining funds will be added with the funds raised on 3 October 2020 to advance exploration activities on the Company's Murdie Project, Lumwana West Project and working capital
3/10/2020	Ordinary fully paid shares	Placement to sophisticated and professional investors identified by the Board (as to 19%) managed by Henslow Pty Limited and with assistance from four independent Financial Service Licence Holders (as to 81%)	\$0.0055	24% to 15-day VWAP	491,636,369	\$2,704,000	Amount spent at 25 September 2020: nil Amount remaining at 25 September 2020: \$2,704,000 Proposed use of remaining funds: funds raised to be applied predominantly to advance exploration activities on the Company's Murdie Project, Lumwana West Project and working capital
12/8/2020	Unlisted options	Veritas Securities Ltd	\$0.01	N/A	7,500,000	N/A	N/A
12/8/2020	Unlisted options	Canaccord Genuity (Australia) Ltd	\$0.01	N/A	7,250,000	N/A	N/A
12/8/2020	Unlisted options	Taycol Nominees Pty Ltd	\$0.01	N/A	5,000,000	N/A	N/A

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12:00pm (AEDT) on Sunday 8 November 2020.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/argonautagm2020>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **12:00pm (AEDT) on Sunday, 8 November 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/argonautagm2020>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Argonaut Resources NL** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at Level 6, 100 Pirie Street, Adelaide SA 5000 on **Tuesday, 10 November, 2020 at 12:00pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolutions 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Malcolm Richmond as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratify Prior Issue of Shares to Sophisticated and Professional Investors, previously issued in accordance with ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratify Prior Issue of Shares to Sophisticated and Professional Investors, previously issued in accordance with ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	ASX Listing Rule 7.1A Approval of Future Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020