



ARGONAUT RESOURCES NL

ABN 97 008 084 848

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (AEDT)

DATE: Friday, 3 November 2017

PLACE: Offices of Franks & Associates
Suite 2, Level 10
70 Phillip Street
Sydney NSW 2000
Australia

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, using the contact details on page 30.

LETTER TO SHAREHOLDERS

29 September 2017

Dear Shareholder

Annual General Meeting

On behalf of the Board, I am pleased to invite you to attend the Annual General Meeting of Argonaut Resources NL (the Company).

This meeting will be held at 10.00am (AEDT) on Friday, 3 November 2017 at:

Offices of Franks & Associates
Suite 2, Level 10
70 Phillip Street
Sydney NSW 2000
Australia

Enclosed are the following documents:

- Notice of Meeting and Explanatory Statement; and
- Proxy Form for the Annual General Meeting.

If you have requested a printed copy of the Annual Report for the year ended 30 June 2017, it will be mailed to you separately.

If you are unable to attend the Meeting, I encourage you to appoint a proxy, by following the instructions on page 3 of the Notice of Meeting. You may also provide questions or comments in advance of the Meeting, by contacting the Company Secretary, using the details set out on page 30 of the Notice.

Important notice – 2017 Annual Report

Shareholders are reminded that the Annual Report is only mailed to those Shareholders who have elected to receive it in hard copy. The 2017 Annual Report can be viewed on the Company's website at:
<http://www.argonautresources.com>

We look forward to seeing you at the Annual General Meeting.

Yours faithfully



Patrick Elliott
Chairman

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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 on page 5.

APPOINTING A PROXY

A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of Argonaut.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll. Fractions will be disregarded.

To appoint a proxy online, go to www.linkmarketservices.com.au and click the 'Investor & Employee Login' button. You will need your HIN (holder identification number) or SRN (shareholder reference number) to log in.

Alternatively, you can appoint a proxy by completing and signing the enclosed proxy form and sending the form to by:

- (a) Post to Link Market Services at Locked Bag A14, Sydney South NSW 1235 Australia; or
- (b) Fax to Link Market Services at (+61 2) 9287 0309.

The deadline for receipt of proxy appointments is 10.00am (AEDT) on Wednesday, 1 November 2017.

Proxy appointments 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 been provided 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.

An appointment of corporate representative form may be obtained from Link Market Services by calling (+61) 1300 554 474 or online at:
<http://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html>.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (AGM) of Shareholders of Argonaut Resources NL will be held at the offices of Franks & Associates, Suite 2, Level 10, 70 Phillip Street, Sydney NSW 2000, Australia, at 10:00am (AEDT) on Friday 3 November 2017. Registration will open at 9.30am (AEDT).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

The Directors have determined under Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 7.00pm (AEDT) on Wednesday, 1 November 2017.

AGENDA

ADOPTION OF ANNUAL REPORT

To receive and consider the Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017.

Shareholders will be asked to consider, and if thought fit, to pass, with or without amendment, the Resolutions below, which will be proposed as Ordinary Resolutions:

1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

“To adopt the Argonaut Remuneration Report for the year ended 30 June 2017.”

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR MALCOLM RICHMOND

“That Mr Malcolm Richmond be re-elected as a Director of the Company.”

Shareholders will be asked to consider, and if thought fit, to pass the Resolution below, which will be proposed as a Special Resolution:

3. RESOLUTION 3 – APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES

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

Shareholders will be asked to consider, and if thought fit, to pass the Resolutions below, which will be proposed as Ordinary Resolutions:

4. RESOLUTION 4 – APPROVAL OF ISSUE OF OPTIONS TO LINDSAY OWLER

“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue and allot 16,000,000 Options to Mr Lindsay Oowler or his nominee, for the purposes and upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

5. RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO ANDREW BURSILL

“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue and allot 4,000,000 Options to Mr Andrew Bursill or his nominee, for the purposes and upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

6. RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS TO PATRICK ELLIOTT

“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue and allot 4,000,000 Options to Mr Patrick Elliott or his nominee, for the purposes and upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

7. RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO MALCOLM RICHMOND

“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue and allot 4,000,000 Options to Mr Malcolm Richmond or his nominee, for the purposes and upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

Dated: 29 September 2017

By Order of the Board



Andrew Bursill
Director & Company Secretary
Argonaut Resources NL

Voting Exclusion Statement

For the definitions of Key Management Personnel (**KMP**) and Closely Related Parties, please refer to the Glossary on page 31.

The Corporations Act restricts members of the KMP of the Company and their Closely Related Parties from voting in relation to remuneration related Resolutions (such as Resolutions 1, 4, 5, 6 and 7).

In addition, separate voting restrictions apply in respect of Resolution 3 under the ASX Listing Rules.

What this means for Shareholders: If you intend to appoint a member of the KMP (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them how to vote on Resolutions 1, 4, 5, 6 and 7. If you do not do so, your proxy will not be able to vote on your behalf on Resolutions 1, 4, 5, 6 and 7.

If you intend to appoint the Chairman of the Meeting as your proxy, you are encouraged to direct him how to vote by marking a box for Resolutions 1, 4, 5, 6 and 7 (for example if you wish to vote for, or against, or to abstain from voting). If you appoint the Chairman as your proxy without directing him how to vote on resolutions 4, 5, 6 and 7, the Chairman will not be able to vote on your behalf. The Chairman of the Meeting intends to vote in favour of all Resolutions 1, 4, 5, 6 and 7 (where permissible).

The Company will disregard votes cast on Resolutions 1, 3, 4, 5, 6 and 7 by the persons detailed in the table below.

Resolution	Voting Exclusions
Resolution 1 – Adoption of Remuneration Report	<p>A vote must not be cast in any capacity by or on behalf of:</p> <ul style="list-style-type: none"> - A current or former member of the KMP whose remuneration details are included in the remuneration report for the year ended 30 June 2017, and - Any Closely Related Parties of such member of the KMP. <p>In addition, no votes may be cast as a proxy by any other person who has become a member of the KMP by the time of the AGM, or their Closely Related Parties.</p> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 1 if:</p> <ul style="list-style-type: none"> - The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or - The vote is cast by the Chairman of the Meeting and the proxy form authorises him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).
Resolution 3 – Approval of 10% Capacity to Issue Equity Securities	<p>A vote must not be cast by or on behalf of:</p> <ul style="list-style-type: none"> - The persons who may participate in the proposed issue of the securities, and any persons who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the resolution is passed; and - Any associates of those persons. <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 3 if:</p> <ul style="list-style-type: none"> - The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or - The vote is cast by the Chairman of the Meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.
Resolution 4 – Grant of Options to Mr Lindsay Owler	<p>A vote must not be cast by or on behalf of:</p> <ul style="list-style-type: none"> - Lindsay Owler who is a related party of the public company to whom the resolution would permit a financial benefit to be given and is to receive securities in relation to the entity; and - Any associates of Lindsay Owler.

	<p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 4 if:</p> <ul style="list-style-type: none"> - The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; - The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or - The vote is cast by the Chairman of the Meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.
Resolution 5 – Grant of Options to Mr Andrew Bursill	<p>A vote must not be cast by or on behalf of:</p> <ul style="list-style-type: none"> - Andrew Bursill who is a related party of the public company to whom the resolution would permit a financial benefit to be given and is to receive securities in relation to the entity; and - Any associates of Andrew Bursill. <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 5 if:</p> <ul style="list-style-type: none"> - The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; - The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or - The vote is cast by the Chairman of the Meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.
Resolution 6 – Grant of Options to Mr Patrick Elliott	<p>A vote must not be cast by or on behalf of:</p> <ul style="list-style-type: none"> - Patrick Elliott who is a related party of the public company to whom the resolution would permit a financial benefit to be given and is to receive securities in relation to the entity; and - Any associates of Patrick Elliott. - <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 6 if:</p> <ul style="list-style-type: none"> - The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; - The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or - The vote is cast by the Chairman of the Meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.
Resolution 7 – Grant of Options to Mr Malcolm Richmond	<p>A vote must not be cast by or on behalf of:</p> <ul style="list-style-type: none"> - Malcolm Richmond who is a related party of the public company to whom the resolution would permit a financial benefit to be given and is to receive securities in relation to the entity; and - Any associates of Malcolm Richmond. - <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 7 if:</p> <ul style="list-style-type: none"> - The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; - The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or - The vote is cast by the Chairman of the Meeting, in accordance with a direction on the proxy form, to vote as the proxy decides.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held on Friday, 3 November 2017 at 10.00am (AEDT).

This 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.

1. ANNUAL REPORT

The business of the Meeting will include receipt and consideration of the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017, which are included in Argonaut's Annual Report.

In accordance with the Corporations Act 2001, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Report, and on the management of Argonaut.

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 for 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 to 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 Friday, 27 October 2017.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Annual Report. The Remuneration Report details the Company's remuneration arrangements for the Directors and senior management of the Company.

S250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report then:

- If comments are made on the Remuneration Report at the Meeting, Argonaut's 2018 Remuneration Report will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- If, at next year's AGM, at least 25% of the votes cast on the resolution for adoption of the 2018 Remuneration Report are against it, Argonaut will be required to put to Shareholders a

resolution proposing that an Extraordinary General Meeting (**EGM**) be called to consider the election of Directors (**Spill Resolution**). If the Spill Resolution is passed (i.e. more than 50% of the votes cast are in favour of it), all of the Directors (other than the Managing Director) will cease to hold office at the subsequent EGM, unless re-elected at that Meeting.

Last year, a resolution was passed to adopt the 2016 Remuneration Report, with in excess of 75% of votes cast in favour of the resolution on a poll.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Remuneration Report.

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.*

3. RE-ELECTION OF DIRECTORS

Clause 6.5(a) of the Constitution requires that one third of the Directors (or if their number is not a multiple of three, then the number nearest one third) must retire at each annual general meeting. It also provides that a Director who retires under clause 6.5(a) is eligible for re-election. A Managing Director (if any) is exempt from this requirement.

ASX Listing Rule 14.4 requires that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

RESOLUTION 2 - MR MALCOLM RICHMOND

Mr Richmond will retire by rotation and seeks re-election in accordance with clause 6.5(a) of the Constitution.

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

Strike Resources Limited (since 25 October 2006)

Former Directorships of other listed companies in the last three years

None

Board Recommendation: *The Directors (with Mr Richmond abstaining) unanimously recommend the re-election of Mr Richmond as a Director of the Company.*

4. RESOLUTION 3 - APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES

ASX Listing Rule 7.1

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12-month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without shareholder approval (**15% limit**), unless an exception applies. The Company has not exceeded this 15% limit.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12-month period after an annual general meeting. This 10% placement capacity (**10% limit**) is in addition to the Company's 15% limit under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Shareholder Approval

Shareholder approval is now sought in accordance with ASX Listing Rule 7.1A to give the Company the ability to issue equity securities under the 10% limit. Resolution 3 must be passed as a Special Resolution, meaning that at least 75 per cent of the votes cast at the AGM must be in favour of Resolution 3.

Current Securities on Issue

As at the date of this Notice, the Company has the following classes and numbers of equity securities on issue:

Security Class	Number on issue
Ordinary Shares	1,135,063,799
Unlisted Options, exercise price \$0.02, expiry date 30 June 2019	15,000,000
Unlisted Attaching Loyalty Options, exercise price \$0.0055, expiry date 31 March 2018	127,272,727
Unlisted Options, exercise price \$0.03, expiry date 31 December 2021	22,000,000

Duration of Approval of 10% Limit

Shareholder approval of the 10% limit under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) The date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) The date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), (the **period of approval**).

Formula for Calculation of 10% limit

The exact number of equity securities to be issued under the 10% limit will be determined in accordance with the following formula, which is prescribed in ASX Listing Rule 7.1A.2:

Eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period of approval, a number of equity securities calculated in accordance with the following formula:

$(A \times D) - E$

A is the number of shares on issue 12 months before the date of issue or agreement:

- Plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- Plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- Plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 or ASX Listing Rule 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% limit without shareholder approval;
- Less the number of fully paid ordinary shares cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% limit.

D is 10%

E is the number of equity securities issued or agreed to be issued under ASX 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 shareholders under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

ASX Listing Rule 7.3A requires the following information to be provided to Shareholders:

(a) Minimum Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of the Company's equity securities in the same class, calculated over the 15 Trading Days immediately before:

- (i) The date on which the price at which the equity securities are to be issued is agreed; or
- (ii) If the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

(b) Risk of Voting Dilution

If Resolution 3 is approved by Shareholders and the Company issues equity securities under the 10% limit, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) The market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Meeting; and
- (ii) The equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date or the equity securities are issued as part of the consideration for the acquisition of a new asset;

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

The below table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A', calculated in accordance with the formula in ASX Listing Rule 7.1A(2), as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company currently has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.004 50% decrease in Issue Price	\$0.008 Issue Price	\$0.016 100% increase in Issue Price
Current Variable 'A' 1,135,063,799	10% Voting Dilution	113,506,378	113,506,378	113,506,378
	Funds Raised \$	454,026	908,051	1,816,102
50% increase in current variable 'A' 1,702,595,699	10% Voting Dilution	170,259,570	170,259,570	170,259,570
	Funds Raised \$	681,038	1,362,077	2,724,153
100% increase in current variable 'A' 2,270,127,598	10% Voting Dilution	227,012,760	227,012,760	227,012,760
	Funds Raised \$	908,051	1,816,102	3,632,204

The above table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of equity securities available under the 10% limit.
- (ii) No Options (including any Options issued under the 10% limit) are exercised into Shares before the date of the issue of equity securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% limit, based on that Shareholder's holding at the date of the Meeting;
- (v) The table shows only the effect of issue of equity securities under ASX Listing Rule 7.1A, not under the 15% limit under ASX Listing Rule 7.1;
- (vi) The issue of equity securities under the 10% limit consists only of Shares. If the issue of equity securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders; and
- (vii) The issue price is \$0.008 being the closing market price of the Shares on the ASX on 1 September 2017.

(c) Period of Approval

The Company will only issue and allot the equity securities during the period of approval. The approval under Resolution 3 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

(d) Purpose of Issue under 10% Limit

The Company may seek to issue the equity securities for the following purposes:

- (i) Cash consideration. In such circumstances, the Company intends to use the funds raised towards continued precious metals exploration (principally in the areas of copper and gold) and feasibility study expenditure on the Company's current assets and general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities.

(e) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% limit. The identity of the allottees of equity securities will be determined on a case by case basis, having regard to the factors including but not limited to the following:

- (i) The purpose of the issue;
- (ii) The alternative methods for raising funds that are available to the company at the time, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) The effect of the issue of the equity securities on the control of the company;
- (iv) The circumstances of the company, including the financial position and solvency of the company; and
- (v) Advice from corporate, financial and broking advisers (if available).

The allottees under the 10% limit have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) Voting Exclusion Statement

A voting exclusion statement applies to this item of business, as set out in the Notice of Meeting.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

(g) Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at the Company's Annual General Meeting on 25 November 2016.

During the 12 months preceding the date of this Meeting, being from and including 26 November 2016 to and including 29 September 2017, being the date of this Notice of Meeting, (preceding 12-month period) the Company has issued in aggregate the following equity securities:

- 480,723,481 Shares; and

- 149,272,727 Unlisted Options;

Those equity securities issued during the preceding 12-month period represent, on a fully diluted basis, 89% of the total number of equity securities that were on issue on the first day of the preceding 12-month period.

Further details of the equity securities issued during the preceding 12-month period are set out in Annexure 1.

Board Recommendation: *The Directors unanimously recommend that Shareholders vote in favour of approving the 10% limit. This will enable the Company to have the flexibility to issue further equity securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a 12-month period without seeking further Shareholder approval.*

5. RESOLUTION 4 – GRANT OF OPTIONS TO LINDSAY OWLER

It is proposed that a total grant of 16,000,000 options is made to Mr Owler, a director of the Company, or his nominee.

The options have the following details:

Number of Options	Exercise Price (per option)	Expiry Date
16,000,000	\$0.03	31 December 2022

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- A related party; or
- A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- A director of a public company; and
- An entity controlled by a director of a public company.

Accordingly, Mr Owler is a related party to the Company.

Shareholder approval is sought for the grant of 16,000,000 Options to Mr Owler, or his nominee. These Options are proposed to be issued to Mr Owler to align his interests with that of the Company's shareholders and as a reward for the increased involvement Mr Owler has had in the affairs of the Company since his appointment as a Director.

Mr Owler has a material personal interest in the outcome of this Resolution as it is proposed that Options be granted to him (or his nominee).

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- The Options will be issued to Mr Owler, or his nominee;
- The maximum number of Options that will be issued to Mr Owler is 16,000,000.
- The Company proposes to issue the Options immediately following the Meeting, but in any case, no later than one month after the date of the Meeting;
- Mr Owler is a Director of the Company;

- (e) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses; and
- (f) Other material terms and conditions of the Options are set out at Annexure 2.

Board Recommendation: *As Resolution 4 relates to Directors' remuneration, the Directors have refrained from making a recommendation in relation to this resolution.*

Additional Information in relation to Chapter 2E of the Corporations Act is contained in Section 9 below.

6. RESOLUTION 5 – GRANT OF OPTIONS TO ANDREW BURSILL

It is proposed that a total grant of 4,000,000 options is made to Mr Bursill, a director of the Company, or his nominee.

The Options have the following details:

Number of Options	Exercise Price (per option)	Expiry Date
4,000,000	\$0.03	31 December 2022

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A director of a public company; and
- (b) An entity controlled by a director of a public company.

Accordingly, Mr Bursill is a related party to the Company.

Shareholder approval is sought for the grant of 4,000,000 Options to Mr Bursill or his nominee. These Options are proposed to be issued to Mr Bursill to align his interests with that of the Company's shareholders and as a reward for the increased involvement Mr Bursill has had in the affairs of the Company since his appointment as a director.

Mr Bursill has a material personal interest in the outcome of this Resolution as it is proposed that Options be granted to him (or his nominee).

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to Mr Bursill, or his nominee;
- (b) The maximum number of Options that will be issued to Mr Bursill is 4,000,000.
- (c) The Company proposes to issue the Options immediately following the Meeting, but in any case, no later than one month after the date of the Meeting;
- (d) Mr Bursill is a Director of the Company;
- (e) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses; and
- (f) Other material terms and conditions of the Options are set out at Annexure 2.

Board Recommendation: As Resolution 5 relates to Directors' remuneration, the Directors have refrained from making a recommendation in relation to this resolution.

Additional Information in relation to Chapter 2E of the Corporations Act is contained in Section 9 below.

7. RESOLUTION 6 – GRANT OF OPTIONS TO PATRICK ELLIOTT

It is proposed that a total grant of 4,000,000 options is made to Mr Elliott, a director of the Company, or his nominee.

The Options have the following details:

Number of Options	Exercise Price (per option)	Expiry Date
4,000,000	\$0.03	31 December 2022

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A director of a public company; and
- (b) An entity controlled by a director of a public company.

Accordingly, Mr Elliott is a related party to the Company.

Shareholder approval is sought for the grant of 4,000,000 Options to Mr Elliott or his nominee. These Options are proposed to be issued to Mr Elliott to align his interests with that of the Company's shareholders and as a reward for the increased involvement Mr Elliott has had in the affairs of the Company since his appointment as Chairman.

Mr Elliott has a material personal interest in the outcome of this Resolution as it is proposed that Options be granted to him (or his nominee).

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to Mr Elliott, or his nominee;
- (b) The maximum number of Options that will be issued to Mr Elliott is 4,000,000.
- (c) The Company proposes to issue the Options immediately following the Meeting, but in any case, no later than one month after the date of the Meeting;
- (d) Mr Elliott is a Director of the Company;
- (e) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses; and
- (f) Other material terms and conditions of the Options are set out at Annexure 2.

Board Recommendation: As Resolution 6 relates to Directors' remuneration, the Directors have refrained from making a recommendation in relation to this resolution.

Additional Information in relation to Chapter 2E of the Corporations Act is contained in Section 9 below.

8. RESOLUTION 7 – GRANT OF OPTIONS TO MALCOLM RICHMOND

It is proposed that a total grant of 4,000,000 options is made to Mr Richmond, a director of the Company, or his nominee.

The Options have the following details:

Number of Options	Exercise Price (per option)	Expiry Date
4,000,000	\$0.03	31 December 2022

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A director of a public company; and
- (b) An entity controlled by a director of a public company.

Accordingly, Mr Richmond is a related party to the Company.

Shareholder approval is sought for the grant of 4,000,000 Options to Mr Richmond or his nominee. These Options are proposed to be issued to Mr Richmond to align his interests with that of the Company's shareholders and as a reward for the increased involvement Mr Richmond has had in the affairs of the Company since his appointment as a director.

Mr Richmond has a material personal interest in the outcome of this Resolution as it is proposed that Options be granted to him (or his nominee).

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to Mr Richmond, or his nominee;
- (b) The maximum number of Options that will be issued to Mr Richmond is 4,000,000.
- (c) The Company proposes to issue the Options immediately following the Meeting, but in any case, no later than one month after the date of the Meeting;
- (d) Mr Richmond is a Director of the Company;
- (e) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses; and
- (f) Other material terms and conditions of the Options are set out at Annexure 2.

Board Recommendation: *As Resolution 7 relates to Directors' remuneration, the Directors have refrained from making a recommendation in relation to this resolution.*

Additional Information in relation to Chapter 2E of the Corporations Act is contained in Section 9 below.

9. RESOLUTIONS 4, 5, 6 AND 7 – ADDITIONAL INFORMATION

Chapter 2E of the Corporations Act disclosures

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. Exceptions to this general prohibition include where the company first obtains the approval of its shareholder in general meeting, or the financial benefit being provided is on arm's length terms or better.

A "financial benefit" for the purposes of the Corporations Act includes issuing securities to a related party.

The proposed Resolutions 4, 5, 6 and 7, if passed, will confer financial benefits to the Directors. Therefore, the Company seeks to obtain member approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders:

- (a) The related parties to whom Resolutions 4, 5, 6 and 7 would permit the financial benefit to be given is Mr Owler, Mr Bursill, Mr Elliott and Mr Richmond as Directors of the Company;
- (b) The nature of the proposed financial benefit to be given is outlined below:

	Number of Options	Exercise Price (per option)	Expiry Date
Lindsay Owler	16,000,000	\$0.03	31/12/2022
Andrew Bursill	4,000,000	\$0.03	31/12/2022
Patrick Elliott	4,000,000	\$0.03	31/12/2022
Malcolm Richmond	4,000,000	\$0.03	31/12/2022

- (c) The Options, the subject of Resolutions 4, 5, 6 and 7 will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used for working capital and other operational expenses;
- (d) As Resolutions 4, 5, 6 and 7 relate to Directors' remuneration, the Directors have refrained from making a recommendation in relation to these resolutions; and
- (e) Directors have the following interests and other remuneration:

Director (including associated entities)	2016 Financial Year Remuneration	2017 Financial Year Remuneration	Proposed 2018 Financial Year Remuneration *
L Owler	257,527	335,525	356,165
A Bursill	37,500	60,800	58,160
P Elliott	65,398	105,800	103,160
M Richmond	65,398	105,800	103,160
Total	425,823	607,926	620,645

* Including the value of the options proposed to be granted under Resolutions 4, 5, 6 and 7.

If the Options, the subject of Resolutions 4, 5, 6 and 7 are approved, the following will be the effect of their holdings in the Company:

Directors (including associated entities)	Current Share, Performance Share & Option Holding	% of Total Share & Option Capital	Share & Option Capital Upon Exercise*	% of Total Share & Option Capital Upon exercise
L Owler	11,400,000	0.88%	27,400,000	2.07%
A Bursill	7,049,438	0.54%	11,049,438	0.83%
P Elliott	25,735,726	1.98%	29,735,726	2.24%
M Richmond	14,545,454	1.12%	18,545,454	1.40%
All Other Holders	1,240,605,908	95.48%	1,240,605,908	93.61%
Total	1,299,336,526	100.00%	1,325,336,526	100.00%

* This figure includes the Options proposed to be granted to the directors under Resolutions 4, 5, 6 and 7.

(f) Valuation

The Options that are the subject of Resolutions 4, 5, 6 and 7 are not currently quoted on the ASX and as such have no market value. Each Option grants the holder a right to subscribe for one Share upon exercise of each Option and payment of the exercise price described above. Accordingly, the Options may have a present value at the date of their grant.

The Options may acquire future value dependent upon the extent to which the market value of Shares exceeds the exercise price of the Options during the term of the Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

- The period outstanding before the expiry date of the options;
- The exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- The proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. Whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- The value of the shares into which the options may be converted; and
- Whether or not the options are listed (i.e. readily capable of being liquidated) and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black and Scholes option valuation methodology "Black-Scholes Model").

The Company has sought an independent valuation of the Options from Stantons International Securities (**SIS**). The method used to value the Options was the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

The data relied upon in the valuation applying the Black-Scholes Model was:

- Exercise price of the Options and indicate value as per the SIS Report being \$0.00454;

- Market price of Shares of \$0.008, being the price of Shares on the ASX at close on 5 September 2017 valuation as a proxy for the market price at the future date of issue, being the date of the General Meeting to approve the issue;
- Options vesting on the date of issue, assumed to be 1 November 2017;
- Expiry Date of 31 December 2022;
- Volatility measure of 100%;
- Risk-free interest rate of 2.21%; and
- Dividend yield of 0.00%.

Based on the assessed fair value of the Options in the SIS report, the Company has adopted an indicative value of \$0.00454 per option, being a total value of \$72,640 for the Options proposed to be granted to Mr Owler and \$18,160 each for the Options proposed to be granted to Messrs Bursill, Elliott and Richmond, as calculated in that report.

The total assessed valuation of the Options that are the subject of Resolutions 4, 5, 6 and 7 is \$127,120.

(g) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors.

There is no other information known to the Company or any of the Directors save and except as follows:

(i) Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Options to the directors or their nominees, is the potentially dilutionary impact on the issued Share capital of the Company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled Directors on appropriate incentive terms. It is also considered that the potential increase of value in the Options is dependent upon a concomitant increase in the value of the Company generally.

(ii) Trading History of the Shares

As at 1 September 2017, the closing price of Shares on ASX was \$0.008. Over the last 12 months, the 52-week high was \$0.012 per share and the 52 low was \$0.005 per share.

(iii) Taxation Consequences

No stamp duty will be payable in respect of the grant of the Options. No GST will be payable by the Company in respect of the grant of the Options (or if it is then it will be recoverable as an input credit).

AASB 2 “Share Based Payments” requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management’s assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

(iv) Dilutionary Effect

The dilutionary effect on the Company and its shareholders is summarised in the table on page 20.

ANNEXURE 1 - PARTICULARS OF ISSUES OF EQUITY SECURITIES IN PRECEDING 12 MONTH PERIOD

Date	Class of equity securities issued	Allottees of equity securities issued or basis of allotment	Issue Price per equity security	Discount to market price (if any)	Total cash consideration raised	Amount of cash consideration spent, what it was spent on and proposed application of balance of funds raised	Particulars of any non-cash consideration raised and its current value	No. of Ordinary Shares	No. of Options
7 December 2016	Unlisted Options	Issue of Unlisted Options to Directors	\$0.00	N/A	Nil	N/A	Issue of Unlisted Options to Directors as approved by shareholders on 25 November 2016.	N/A	22,000,000
14 December 2016	Ordinary shares	Issue of Shares to Canadian Orebodies Inc	\$0.00	N/A	Nil	N/A	Issue of shares to extend acquisition agreement	10,285,774	N/A
9 February 2017	Ordinary Shares	Issue of Shares to Loded Dog Prospecting Pty Ltd	\$0.00	N/A	Nil	N/A	Issue of shares in accordance with Definitive Earn in Agreement.	7,974,700	N/A
9 February 2017	Ordinary Shares	Issue of Shares to Cleland Projects Pty Ltd and Bobarino Pty Ltd	\$0.00	N/A	Nil	N/A	Issue of shares for services rendered.	31,250,000	N/A

9 February 2017	Ordinary Shares	Placement to professional and sophisticated investors	\$0.0034	\$0.0036	\$82,761.94	\$82,761.94 spent on additional working capital	N/A	24,341,746	N/A
9 February 2017	Ordinary Shares	Placement to professional and sophisticated investors	\$0.0055	\$0.0015	\$115,238.09	\$115,238.09 spent on additional working capital	N/A	20,952,380	N/A
9 February 2017	Ordinary Shares	Placement to professional and sophisticated investors	\$0.0051	\$0.0019	\$330,000	\$330,000 spent on additional working capital	N/A	64,705,882	N/A
31 March 2017	Ordinary Shares	Conversion of Listed Options	\$0.06	N/A	\$52.38	\$52.38 spent on additional working capital	N/A	873	N/A
19 July 2017	Ordinary Shares	Conversion of Listed Options	\$0.06	N/A	\$2.82	\$2.82 spent on additional working capital	N/A	47	N/A
19 July 2017	Ordinary Shares	Placement to professional and sophisticated investors	\$0.0055	\$0.0015	\$1,400,000	\$1,400,000 spent on advancement of the Company's Exploration Projects, in particular Higginsville and Torrens.	N/A	254,545,448	N/A
19 July 2017	Unlisted Options	Attaching, Unlisted Loyalty Options issued to professional and	\$0.00	N/A	Nil	N/A	Issue of Attaching Unlisted Loyalty Options to participants of	N/A	127,272,727

		sophisticated investors who participated in Placement on 19 July 2017.					private placement on 19 July 2017, subject to certain vesting conditions.		
7 August 2017	Ordinary Shares	Shares issued to Shareholders under a Share Purchase Place	\$0.006	\$0.002	\$400,000	\$400,000 spent on advancement of the Company's Exploration Projects, in particular Higginsville and Torrens and general working capital.	N/A	66,666,632	N/A

OPTIONS – TERMS AND CONDITIONS

1. Entitlement

Each Option (together **Options**) entitles the holder to subscribe for and be issued one fully paid ordinary share (**Share**) in the capital of Argonaut Resources NL (**Company**) upon exercise of each Option. The date of issue of that Option will hereafter be referred to as the **Issue Date**.

2. Exercise Price and Expiry Date

- (a) The Exercise Price of the Options is as per the Option holding statement.
- (b) The Expiry Date of the Options is the earlier to occur of the Options expiry date as noted on the Option holding statement and 30 days after a Change in Control Event.

3. Exercise Period and Vesting Date

- (a) Subject to the Change of Control provisions below, each Option is exercisable at any time after the latter of the date of grant of the Option and the vesting date (if applicable) and before the Expiry Date.
- (b) Notwithstanding that the Expiry Date has not occurred, each Option that has not already vested as outlined above will expire on that date which is the earlier of the date the Option holder ceases to be employed, engaged as a consultant or appointed as an executive director of the Company because of:
 - (i) If the holder is an employee, the date the holder is dismissed from employment with the Company for gross misconduct;
 - (ii) If the holder is a consultant, the date the holder's appointment is terminated for gross misconduct;
 - (iii) If the holder is a director, the date the holder is disqualified from holding the office of director;
 - (iv) Retirement;
 - (v) Voluntary cessation; or
 - (vi) By mutual agreement (unless the Board resolves otherwise),and thereafter no party has any claim against any other party arising under or in respect of any Option.
- (c) If a Change in Control Event occurs in respect of the Company, all Options that have been issued but have not yet vested, will immediately thereupon vest.
- (d) A **Change in Control Event** means:
 - (i) The occurrence of:
 - (A) The offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more in number of the Shares; and
 - (B) That takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or
 - (ii) The announcement by the Company that:
 - (A) Shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (1) Cancelled; or

- (2) Transferred to a third party; and
- (B) The Court, by order, approves the proposed scheme of arrangement.

4. Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt by the Company of that Notice of Exercise.

5. Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with all other issued Shares.

6. Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued promptly after the exercise of the Options.

7. Timing of Issue of Shares

Within fifteen Business Days after the later to occur of:

- (a) Receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company (each an **Exercised Option**) where the Company is not in possession of any excluded information (as defined in section 708A(7) of the Corporations Act) (**Excluded Information**); and
- (b) The date upon which the Company ceases to be in possession of Excluded Information in respect to the Company following the receipt of the Notice of Exercise and payment of the Exercise Price for each Exercised Option being exercised by the Company,

The Company will:

- (c) Issue the Shares pursuant to the exercise of the Exercised Options;
- (d) Give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (e) Apply for official quotation on ASX of Shares issued pursuant to the exercise of the Exercised Options.

8. Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the holders of the Options will be afforded the minimum period of notice prescribed under the Listing Rules prior to and inclusive of the books closing date (to determine entitlements to the issue) in order to give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

9. Pro-rata Issues

If there is a pro rata issue (except a bonus issue), then at the time of the pro rata issue (except a bonus issue), the exercise price of an Option may be reduced according to the following formula:

$$O^n = O - E \frac{[P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying securities into which one Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-right date or the ex-entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Otherwise the exercise price of the Option shall remain unchanged.

10. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other Securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) The number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received as if the Option holder had exercised the Option before the record date for the bonus issue; and
- (b) No change will be made to the Exercise Price.

11. Adjustment Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders will, be varied to the extent necessary to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

12. Quotation of Options

- (a) No application for official quotation of the Options will be made by the Company.
- (b) The Company shall apply for the listing of the resultant shares of the Company issued upon exercise of any Option.

13. Options Transferable

The Options are only transferable subject to the prior approval of the Board of Directors of the Company and only then provided that the transfer of Options complies with section 707(3) of the Corporations Act.

14. Lodgment Instructions

Cheques payable in respect of the exercise of any right attaching to an Option shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of Options with the appropriate remittance should be lodged at the Company's registry.

LOYALTY OPTIONS – TERMS AND CONDITIONS

1. Definitions

In these Terms:

Holder means a person who has applied for and acquired New Shares and been issued Loyalty Options under the Share Placement to raise up to A\$1.4 million (subject to shareholders approval at the General Meeting held on 11 July 2017) and who is recorded in the Register maintained by the Company in accordance with paragraph 10 of these Terms;

Loyalty Option means an option, (subject to Vesting), to acquire one Share on these Terms;

Terms means these terms of issue of Loyalty Options;

Vest means the process under which a Loyalty Option first becomes exercisable by a Holder in accordance with paragraph 3 of these Terms; and

Vesting Date is 31 December 2017.

2. Issue Price

The Loyalty Options are issued for no consideration.

3. Entitlement to be issues Shares and vesting

Holders are not required to continually hold their New Shares between the date of issue and the Vesting Date, however:

- (a) Loyalty Options Vest on the Vesting Date if, and only if, the Holder holds at the Vesting Date the same or a greater number of Shares as the number of New Shares issued to the Holder under this Share Placement.
- (b) Loyalty Options that do not Vest on the Vesting Date lapse with immediate effect on the Vesting Date and are of no further force or effect.

4. Transfer/Transmission

Loyalty Options are not transferable and will not be quoted on ASX.

5. Exercise

- (a) On exercise, the Company must issue one Share for each Loyalty Option exercised. A Loyalty Option may be exercised by delivery to the Company of a duly completed Notice of Exercise of Loyalty Options, signed by the Holder, together with payment to the Company of the exercise price, being the same as the issue price of the Placement Shares (**Exercise Price**).
- (b) A Loyalty Option may be exercised on any Business Day from the Vesting Date to 5.00pm (AEST) on 31 March 2018 (**Expiry Date**), but not thereafter.
- (c) A Notice of Exercise of Loyalty Options is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.

6. Dividend entitlement

- (a) Loyalty Options do not carry any dividend entitlement.
- (b) Shares issued on exercise of Vested Loyalty Options rank equally with other issued Shares of the Company on and from issue.

7. Participating rights

- (a) A Holder may only participate in new issues of securities to holders of Shares if the Loyalty Option has been exercised and Shares allotted in respect of the Loyalty Option before the record date of such new issue. The Company must give at least 6 Business Days' notice to Holders, in

respect of any new issue, before the record date for determining entitlements to the issue, in accordance with the Listing Rules of the ASX.

- (b) If between the date of issue and the date of exercise of a Loyalty Option the Company makes one or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue), the exercise price of Loyalty Options on issue must be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E[P-(S+D)]}{(N + 1)}$$

Where:

NE is the new exercise price of the Loyalty Option;

OE is the old exercise price of the Loyalty Option;

E is the number of underlying Shares into which one Loyalty Option is exercisable;

P is the average closing sale price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex-rights date or ex entitlements date (excluding special crossings and overnight sales);

S is the subscription price for a Share under the rights issue;

D is the dividend due but not yet paid on each Share at the relevant time; and

N is the number of Shares that must be held to entitle Holders to receive a new Share in the rights issue.

- (c) If there is a bonus issue to the holder of Shares in the capital of the Company, the number of Shares over which the Loyalty Option is exercisable must be increased by the number of Shares with the Holder would have received if the Loyalty Option had been exercised before the record date for the bonus issue.

8. Reconstructions and alteration of capital

- (a) Any adjustment to the number of outstanding Loyalty Options and the exercise price under a reorganisation of the Company's share capital must be made in accordance with the Listing Rules.
- (b) The rights of Holders will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of the Company's share capital at the time of such reorganisation.

9. ASX Listing

- (a) Loyalty Options that have not Vested and been exercised will not be listed for quotation on the ASX or any other financial market.
- (b) The Company must make application for quotation of Shares issued on exercise of the Vested Loyalty Options on the ASX in accordance with the Listing Rules. Shares issued rank equally with other issued Shares of the Company.

10. Register

The Company must maintain a register of Holders in accordance with Section 168(1)(b) of the Corporations Act.

11. ENQUIRIES

Shareholders may contact the Company Secretary if they have any queries in respect of the matters set out in these documents.

Andrew Bursill
Company Secretary
Argonaut Resources NL

c/- Franks & Associates Pty Limited
GPO Box 4325
Sydney, NSW 2001

Tel: (+61 2) 9299 9690
Fax: (+61 2) 9251 7455

Email: abursill@fa.com.au

12. GLOSSARY

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

Annual General Meeting, AGM or Meeting means the meeting convened by the Notice.

Argonaut Group means Argonaut and its controlled entities.

ASX means ASX Limited (ABN 97 008 084 848).

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of Directors of the Company as constituted from time to time.

Closely Related Parties, in relation to a member of KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with Argonaut (or the Argonaut Group), and any company the member controls.

Company or Argonaut means Argonaut Resources NL (ABN 97 008 084 848).

Constitution means the Constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Documents means each of the Notice, Explanatory Statement and the Proxy Form and all other documents that accompany each other when sent to each Shareholder.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel or KMP means those persons having authority and responsibility for planning, directing and controlling the activities of Argonaut or the Argonaut Group, whether directly or indirectly. Members of the KMP include Directors and certain senior executives.

Notice means the notice of Meeting that accompanies and forms part of the Documents.

Option means an option, if exercised in accordance with its terms, to acquire one Share in the Company.

Ordinary Resolution means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

Resolutions means the resolutions set out in the Notice, or any one of them, 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 Link Market Services.

Special Resolution means a resolution passed by at least 75 per cent of the votes at a general meeting of Shareholders.

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

VWAP means the volume weighted average price of trading in Shares on the ASX market and the Chi-X market over a specified period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

Interpretation

In these Documents, unless the context requires otherwise:

- (a) A reference to a word includes the singular and the plural of the word and vice versa;
- (b) A reference to a gender includes any gender;
- (c) If a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) A term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) Headings are included for convenience only and do not affect interpretation;
- (f) A reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) A reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) The terms “included”, “including” and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) A reference to a statute or statutory provision includes but is not limited to:
 - (i) A statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (ii) A statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (iii) Subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) Reference to “\$”, “a\$”, “Australian dollars” or “dollars” is a reference to the lawful tender for the time being and from time to time of the commonwealth of Australia; and
- (k) A reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Argonaut Resources NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Friday, 3 November 2017 at the offices of Franks & Associates, Suite 2, Level 10, 70 Phillip Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

Important for Resolutions 4, 5, 6 and 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, the Chairman will not be able to vote on your behalf. Please ensure that you direct the Chairman how to vote on Resolutions 4, 5, 6 and 7.

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution where permissible.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions	For	Against	Abstain*	For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Issue of options to Andrew Bursill	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Malcolm Richmond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Issue of options to Patrick Elliott	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% capacity to issue equity securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of Issue of options to Malcolm Richmond	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Issue of options to Lindsay Owler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

i * 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 votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Wednesday, 1 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Argonaut Resources NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**