

20 November 2019

ASX Market Announcements
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Argonaut's 2019 Annual General Meeting – Chairman's Address

Argonaut Resources NL (**ASX: ARE**) is pleased to provide shareholders with the Chairman's address for today's Annual General Meeting.

Yours sincerely,



Andrew Bursill
Director & Company Secretary
Argonaut Resources NL

CHAIRMAN'S ADDRESS

The past year has been one of much disappointment with the unilateral decision by our Torrens Joint Venture Partner, Aeris resources limited ("**Aeris**"), to cease the approved drilling program.

In our view, Aeris had no right to make that decision and we have begun the necessary dispute resolution mechanisms under the joint venture agreement.

In this, our objectives are very clear – to get the drilling at Torrens recommenced at the earliest opportunity. The limited work to date has not downgraded the IOCG targets at Torrens. These are well defined IOCG targets with very large gravity footprints.

Notwithstanding these issues we have focused our attention on sensible pathways to the recommencement of systematic and cost-effective drill testing of the Torrens anomaly under a pro-rata 30:70 joint venture.

It is important for shareholders to note that we have not had all our eggs in the Torrens basket.

We have also:

1. A large group of 100% owned tenements hosting IOCG targets in and around Torrens
2. The Nyungu copper discovery at Lumwana west, Zambia.
3. Further tenements in Zambia prospective for large copper deposits
4. Higginsville, W.A.

Turning to each of these in turn:

1. Torrens surrounds

For the past three years we have assembled a considerable 100% owned tenement package around the Torrens area covering a range of large IOCG targets. In particular at Murdie to the south of Torrens we have numerous very attractive gravity targets that exhibit similar geophysical signatures to those of Carrapateena and oak dam. Many of these anomalies are hosted in the Donnington granite suite. These targets have been well defined from past geophysical work which our team has re-interpreted in light of the Carrapateena and oak dam characteristics. We believe these are every bit as attractive, if not more appealing than, the targets at Torrens.

We are well along the path to having all the necessary regulatory and native title approvals and expect to be drilling at Murdie by early next year. An important feature of many of these targets is that they can be drilled from land or nearshore using conventional drilling equipment.

2. Lumwana west

In the past year we have undertaken preliminary mining studies and metallurgical test work to guide the next steps for advancing Nyungu deposit. This has shown that the strip ratio is expected to be low (2.3:1 down to 300 metres depth) and that the various types mineralisation will be able to produce a saleable concentrate at good recovery levels.

These attributes provide the necessary underpinning to commence preliminary feasibility work which will include further drilling to expand the Nyungu scale and increase its certainty under the Jorc rules.

It is timely to remind shareholders why we continue to devote resources to Nyungu. These are:

- i. the low strip ratio and metallurgical behaviour of the mineralisation will assist Nyungu to be a low-cost copper producer;

- ii. the outlook for copper prices on a 3 – 5-year timeframe is very attractive as current prices are not conducive to supply growth to be able to match demand especially as electric vehicle demand accelerates;
- iii. whilst cobalt prices have retraced from their highs the outlook is for a strong recovery in pricing as demand from electric vehicle batteries grows rapidly; and
- iv. Nyungu has considerable exploration potential over and above the currently defined exploration target.

In 2013 and 2017, we announced, that following our drilling, the exploration target at Nyungu is:

| <i>Commodity</i> | <i>Tonnage range (mt)</i> | <i>Grade range (%)</i> | <i>Contained metal range (kt)</i> |
|------------------|---------------------------|------------------------|-----------------------------------|
| Copper | 130 to 180 | 0.45 to 0.65 | 580 to 1,150 |
| Cobalt | 15 to 20 | 0.08 to 0.12 | 12 to 24 |

Both the copper and cobalt exploration targets are estimated to JORC 2012 standards.

In anyone's language this is potentially the beginning of a significant copper-cobalt system worthy of additional definition.

3. Other Copper Tenements in Zambia

We have been assembling additional exploration tenements in north western Zambia where we see very strong possibilities for drc-style copper belt mineralisation. Relatively shallow cover has inhibited exploration activity and our analysis of geophysical data suggests the areas have significant potential.

We expect to commence field work in the forthcoming dry season, starting May/June 2020.

Argonaut was fortunate to have been granted a tenement in Mwinilunga province which has subsequently become the subject of a significant gold rush. The Kamapanda licence has potential to host the primary source of the alluvial gold deposit which caused the rush.

Argonaut is progressing environmental approvals and plans to conduct a sampling program across this unexplored corner Zambia.

4. Higginsville

We have earned a 51% interest in a group tenement near Higginsville, Western Australia. These have both gold and nickel targets which we are actively pursuing. Importantly, the ultramafic trends that hosts the cassini deposit owned by Mincor continues through these licenses.

These ultramafics are almost completely concealed by Lake Cowan and represent an obvious target for future testing. Field mapping and sampling is planned over the outcropping ultramafics with follow-up aircore drilling on the target zone under the edge of Lake Cowan to assist in identifying priority areas for follow-up surveying and deeper drilling.

In summary, after the disappointment of the Torrens drilling cessation, shareholders have much to look forward to in the coming year. We have deliberately positioned argonaut resources to primarily provide exposure to large well-defined copper exploration targets. We are well set for the inevitable upsurge in copper prices as world demand continues to grow. In addition, we continue to investigate copper opportunities where we believe we can bring some insight or value add to deliver an uplift in values.

Finally, I would like to thank our small team led by Lindsay Owler who have maintained their enthusiasm and commitment despite a difficult year.

I also thank our shareholders who have backed our endeavours.

Yours Sincerely,

Pat Elliott
Non-Executive Chairman
Argonaut Resources NL