

ASX Announcement

18 May 2018

SALE OF UNMARKETABLE PARCELS

ARGONAUT RESOURCES NL (ASX: ARE, "Argonaut" or the Company) today announces that it has established a share sale facility (Facility) for shareholders holding less than \$500 in value of the Company's shares (Unmarketable Parcel).

Based on the closing price on the Australian Securities Exchange ("ASX") on the Record Date (5PM AEST on 11 May 2018) of A\$0.021 per share, an unmarketable parcel is any holding of 23,809 shares or less. The Company has 2,607 shareholders with unmarketable parcels with the total number of shares impacted being 9,477,785.

The Company is offering this sale facility to assist holders of unmarketable parcels to sell shares without having to use a broker or pay brokerage. The Company will pay all the costs of the sale for shareholders who use this facility, excluding tax consequences from the sale which remains the responsibility of the shareholder.

Shareholders with an unmarketable parcel who wish for their shareholding to be sold by the Company do not need to do anything.

Shareholders with an unmarketable parcel who do not wish to sell shares through this Facility must return the Share Retention Form to the Company's share registry, Link Market Services Limited, by 5PM (AEST) 5 July 2018.

A summary of the key dates in relation to this Facility are as follows:

Event	Dates
Unmarketable parcels Record Date	5PM (AEST) 11 May 2018
Unmarketable parcels announcement to ASX	18 May 2018
Communication to eligible shareholders with information pack	18 May 2018
Closing Date for receipt of Share Retention Form	5PM (AEST) 5 July 2018
Remittance of sale proceeds	Prior to 31 August 2018

A copy of the letter to shareholders and accompanying Share Retention Form is being sent to all ARE holders of unmarketable parcels at Record Date and is attached to this Announcement.

For further information please contact:

Andrew Bursill
Director and Company Secretary
02 9299 9690

18 May 2018

Dear Shareholder

Sale of your Unmarketable parcel of Argonaut Resources NL Shares

I am writing to you to inform you that Argonaut Resources NL (“Argonaut” or the “Company”) has established a small holding sale facility (“Facility”) for shareholders who hold less than a marketable parcel of Argonaut shares (as defined by the ASX Listing Rules as a parcel of securities of not less than \$500) (“Unmarketable Parcels”).

The Facility is being put in place to enable the holders of Unmarketable Parcels on 11 May 2018 (the “Record Date”) to sell their shares without brokerage and other expenses and to reduce the administrative costs associated with maintaining holders with less than a marketable parcel.

Based on the closing price on the Australian Securities Exchange (“ASX”) on the Record Date of A\$0.021 per share, an Unmarketable Parcel is any holding of 23,809 shares or less.

The Company has 2,607 shareholders with Unmarketable Parcels with the total number of shares impacted being 9,477,785. Our records show that you were an Unmarketable Parcel holder at the Record Date.

To retain your holding of shares

Under the ASX Listing Rules and the Company’s Constitution, the Company is able to sell your Unmarketable Parcels unless you instruct the Company in writing not to sell using the attached Share Retention Form. The Share Retention Form must be returned to the Company’s Registry no later than 5.00pm (AEST) on 5 July 2018 (“Closing Date”). If the Share Retention Form is not received by this date, your shares will be sold by the Company.

If you do not take any action before the Closing Date your shares will be sold

If you take no action, in accordance with the ASX Listing Rules and the Company’s Constitution, after 5.00pm (AEST) on 5 July 2018 (“Closing Date”), you will be deemed to have irrevocably appointed the Company:

1. To sell all of your shares without any transaction costs being incurred by you; and
2. To pay you the sales proceeds following settlement of your Unmarketable Parcels through the Facility provided the proceeds are \$2.00 or more. If your proceeds are less than \$2.00, the Company will donate the proceeds to the Davenport Community Council Inc., Port Augusta (ABN 54 423 995 728) on your behalf.

If you need help deciding what to do or if you require information regarding the financial, legal or tax consequences of participating in the Facility, you should consult your financial or taxation or professional advisor.

The attached Information Pack sets out further details surrounding the Facility, which you should read before making any decision. You can also contact the Company if you have any queries about lodging your Share Retention Form or the operation of the Facility.

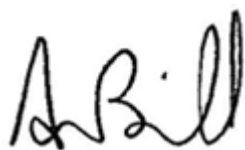
Key dates

Event	Dates
Unmarketable Parcels Record Date	5PM (AEST) 11 May 2018
Unmarketable Parcels announcement to ASX	18 May 2018
Letters sent to shareholders holding Unmarketable Parcels with Information Pack attached	18 May 2018
Closing Date for receipt of Share Retention Form	5PM (AEST) 5 July 2018
Remittance of Sale Proceeds	Prior to 31 August 2018

If you have any questions concerning the contents of this letter, please contact the Company on (02) 9299 9690 (within Australia) or +61 2 9299 9690 (outside Australia) with any questions.

Your sincerely,

For and on behalf of Argonaut Resources NL



Andrew Bursill
Director and Company Secretary

INFORMATION PACK UNMARKETABLE PARCEL SALE FACILITY

1. *What is an Unmarketable Parcel?*

An Unmarketable Parcel is a holding of Argonaut Resources NL shares valued at less than \$500. Based on the closing share price for the Company at the Record Date, this is a holding of 23,809 shares or less.

2. *What was the closing price of the shares on the Record Date?*

The closing price for Argonaut Resources NL at the Record Date was 2.1 cents per share.

3. *What do I have to do to sell my shares through the Facility?*

Nothing. Your shares will be automatically sold unless you return a Share Retention Form.

4. *How will my shares be sold under the Facility?*

The Company will place all of the Unmarketable Parcel shares from shareholders who qualify with a stockbroker and they will be sold under the Facility, with the sale price to be determined based upon the sum of the sales proceeds divided by the sum of all Company shares sold pursuant to the Facility. In accordance with the Company's Constitution, the price you will receive for your shares is at a 10% discount to the 5-day volume weighted average sale price of Argonaut shares sold on the ASX after the Closing Date.

5. *When will the proceeds for the sale of Shares be sent to me?*

Payment will be sent to you following settlement of the sale of all Unmarketable Parcels through the Facility or otherwise as soon as it is practicable. Payment will be made in Australian dollars either by direct credit to your nominated account (where the Company has your details) or by way of cheque. You will be notified by way of a transaction confirmation statement of the number of your Unmarketable Parcels that have been sold, the sale price obtained and the total sale proceeds payable to you. The transaction confirmation statement (and cheque if direct credit details have not been provided) will be sent by post to your address as shown in the share register.

6. *What if my details require updating?*

Should you wish to update either your direct credit instructions or your address in the share register, you can amend your direct credit instructions or your address online at <https://investorcentre.linkmarketservices.com.au>. You will be required to enter your Security Reference Number (SRN) or Holder Identification Number (HIN) and postcode as shown on your enclosed Share Retention Form. As an additional security measure, you will also be required to create a User Identification and Password if you have not previously used the Link website.

7. *What do I have to do if I wish to retain my Argonaut Resources NL Shares?*

If you wish to retain your Argonaut Resources NL Shares, you must return the Share Retention Form so that it is received before the Closing Date, 5.00 pm (AEST) on 5 July 2018. If your Share Retention Form is not received by the Closing Date and you have not

otherwise validly notified the Company that you wish to retain your Shares by the Closing Date, the Company will be entitled to sell your Shares for you.

8. *Where do I send my Share Retention Form?*

Your Share Retention Form must be sent to:

Mailing Address

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

or

Hand Delivery

Argonaut Resources NL
C/-Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Further, your Shares will not be sold if, on the Closing Date, their value has increased to \$500 or more.

9. *If I buy more Shares, will I retain my holding?*

The Company will not sell your Shares providing you increase your holding to a marketable parcel as at the Closing Date. A marketable parcel of Shares is worth at least \$500 based on the ASX closing price of Argonaut Resources NL Shares. For a purchase to be effective notification that you wish to retain your Shares, any additional Shares acquired must be registered by the Closing Date under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Share Retention Form.

10. *What if my Shares are held in a CHESS Holding?*

If you have an Unmarketable Parcel that remain in a CHESS Holding, the Company may move those Shares to an Issuer Sponsored Holding and the Shares will then be sold through the Facility on the same terms described in this Information Pack.

11. *Where can I get further information?*

If you have any questions concerning your shareholding or queries about how the Facility will work, please contact the Company on +61 (2) 9299 9690.

12. *What if I do not know what to do?*

This Information Pack and accompanying letter do not constitute advice, nor a recommendation to buy, sell or hold Argonaut shares, nor that the Facility is the best way to sell your Unmarketable Parcel. If you are in doubt about what to do, you should consult legal or financial or taxation or other professional adviser.

13. *Important notes*

Argonaut Resources NL reserves the right to change any of the dates referred to in the accompanying letter, this Information Pack or the Share Retention Form by written notice to the ASX. The Company may, before a sale is effected under the Facility, suspend or terminate the Facility, either generally or in specific cases.



ABN 97 008 084 848

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
ASX Code: ARE
Website: www.linkmarketservices.com.au

18 May 2018



SRN/HIN:

**Number of Shares held as at
the Record Date, 5:00pm (AEST)
on 11 May 2018:**

Dear Shareholder

IMPORTANT NOTICE – Sale of your Argonaut Resources NL (“Argonaut”) Shares.

I am writing to advise you that Argonaut is putting in place a Share Sale Facility for holders of Shares valued at less than \$500 as at 11 May 2018.

Argonaut is offering this facility to assist holders of unmarketable parcels of Shares to sell them without brokerage costs and to reduce the expense to the company of maintaining Shareholders with small holdings.

Unless you advise Argonaut that you want to retain your Shares as set out below, your Shares will be sold and you will be sent the sale proceeds.

The Share Sale Facility is being established in accordance with Argonaut’s constitution and the ASX Listing Rules.

If you want to sell your Shares under the facility – you need take no action.

Your Shares will be sold on your behalf as soon as practicable. You will not need to appoint a broker nor pay the brokerage and handling costs associated with the sale of Shares under the facility. Any tax consequences from the sale of your Shares will be your responsibility. Your sale proceeds will be remitted prior to 31 August 2018.

If you wish to retain your Shareholding in Argonaut you must detach this retention slip and return it to Argonaut’s Registry, so that it is received no later than 5:00pm (Sydney time), on 5 July 2018.

If you require further information, please contact the Argonaut Resources NL Information Line on 02 9299 9690 (within Australia) or +61 2 9299 9690 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.

If you are in any doubt, or if you require information regarding possible taxation implications from participating in the facility, please consult your legal, financial or taxation adviser.

Yours sincerely

Company Secretary

RETENTION SLIP

SRN/HIN:



If you wish to retain your Shareholding in Argonaut you must detach this retention slip and return it to Argonaut’s Registry, so that it is received no later than 5:00pm (Sydney time), on 5 July 2018.

The slip can be returned using any of the methods set out on the reverse of this slip.



DO NOT SELL MY SHARES

ARE RSS001



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Nothing. Your shares will be automatically sold unless you return a Share Retention Form.

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received by the Closing Date and you have not otherwise validly notified the Company that you wish to retain your Shares by the Closing Date, the Company will be entitled to sell your Shares for you.

8. Where do I send my Share Retention Form?

Your Share Retention Form must be sent to:

Mailing Address	or	Hand Delivery
Argonaut Resources NL		Argonaut Resources NL
C/- Link Market Services Limited		C/- Link Market Services Limited
Locked Bag A14		1A Homebush Bay Drive
SYDNEY SOUTH NSW 1235		RHODES NSW 2138
		<i>(Do not use this address for mailing purposes)</i>

Further, your Shares will not be sold if, on the Closing Date, their value has increased to \$500 or more.

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RETENTION SLIP

Mailing Address

Argonaut Resources NL
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Argonaut Resources NL
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138 *(Do not use this address for mailing purposes)*

This form must be received by Argonaut's Registry no later than 5:00pm (Sydney time), on 5 July 2018, or your Shares will be sold.