

19 August 2022

Dear shareholder

On behalf of the Board of Argonaut Resources NL (*Argonaut* or the *Company*), I invite you to attend an Extraordinary General Meeting (*EGM*) that will be held on 30 September 2022 commencing at 10.30am (Adelaide time). The EGM is being convened to seek shareholder approval for the disposal of the majority of Argonaut's uranium exploration assets via an IPO of the Company's 67% held subsidiary, Orpheus Minerals Ltd (*Orpheus*). The Notice of Meeting and Explanatory Statement enclosed with this letter sets out this proposition in detail.

The Argonaut Directors believe that the uranium assets held by Orpheus are best handled under a separate ASX-listed company for a number of reasons, including:

- Uranium exploration is a specialised endeavour that must be undertaken by a team with considerable relevant experience. The Orpheus team has this experience and can focus its technical and managerial skills on developing the asset portfolio.
- The Orpheus IPO is intended to provide capital to implement a significant uranium exploration program.
- The Argonaut Directors believe that is best done through Orpheus as a separately managed, uranium focussed listed entity.
- The Orpheus IPO will allow Argonaut to remain concentrated on large scale copper and other targets.

The Orpheus Spin-out will give eligible Argonaut shareholders the opportunity to have direct exposure to a uranium-focused exploration company by way of the Argonaut Priority Offer as well providing a material indirect interest via Argonaut's retention of a 26.93% shareholding in Orpheus.

The spin-out will allow Argonaut to direct its financial and management resources towards its large copper exploration targets at Murdie, Torrens and Zambia (assuming current title issues are resolved), plus its lithium and gold targets at Higginsville.

Section 3.7 of the Explanatory Statement provides more information on the advantages of the Orpheus Spin-out. The Notice of Meeting and Explanatory Statement is an important document and I encourage you to read it in full. If you have any questions you should contact the Company Secretary, Joanna Morbey (jo@argonautresources.com).

The Orpheus Spin-out comes at an opportune time in the uranium price cycle. The global push for low-carbon electricity generation has caused a high number of nuclear power plants into or towards construction as well as the development of small-scale nuclear power plants. Additionally, the refurbishment of numerous existing plants, that would otherwise have been decommissioned, has been announced over the past year. The Board considers that the outlook for uranium is encouraging.

Your Board believes that the spin-out of Orpheus is in the best interests of the Company and its shareholders and unanimously recommends that you vote in favour of Resolution 1.

Yours sincerely



Pat Elliott
Chairman
ARGONAUT RESOURCES NL

Argonaut Resources NL

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

Argonaut Resources NL

Notice of Extraordinary General Meeting

Explanatory Statement | Proxy Form

30 September 2022

10.30 AM ACT [Australian Central Time]

Address

Level 6, 100 Pirie Street, Adelaide SA 5000

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

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Venue and Voting Information

The Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30 am ACT on 30 September 2022 at Level 6, 100 Pirie Street, Adelaide SA 5000.

Your vote is important

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

Voting in person

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

Voting by proxy

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

- Online proxy voting portal will be <https://www.votingonline.com.au/argonautgm2022>
- By mail to:
Argonaut Resources NL
C/- Boardroom Pty Limited
GPO Box 3993,
Sydney, NSW 2001
- By fax to the Share Registry on facsimile number +61 (0)2 9290 9655

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

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

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Argonaut Resources NL ACN 008 084 848 will be held at 10.30 am ACT on 30 September 2022 at Level 6, 100 Pirie Street Adelaide SA 5000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement (including Schedule 1) and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 7.00 pm ACT on 26 September 2022.

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

Resolution

1. Resolution 1 – Disposal of interest in Orpheus via Orpheus Spin-out

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

“That the Orpheus Spin-out, details of which are set out in the Explanatory Statement, is approved under and for the purposes of Listing Rule 11.4.1(b) and for all other purposes.”

Voting Exclusion Statement: In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 1 by or on behalf of Orpheus and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder in ordinary securities in the Company) or any Associates of those persons (**Restricted Voter**).

However, this does not apply to a vote cast in favour of Resolution 1 by:

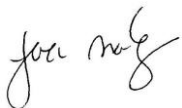
- (a) a person as a proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on Resolution 1 in that way;
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the chair to vote on Resolution 1 as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 1; and
 - (ii) the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the Chair to exercise the proxy even where the Chair is considered a Restricted Voter, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1.

The Chair intends to vote all undirected proxies in favour of Resolution 1.

If you do not want your vote exercised in favour of Resolution 1, you should direct the Chair to vote “against”, or to abstain from voting on, Resolution 1.

BY ORDER OF THE BOARD



Joanna Morbey
Company Secretary

Dated: 19 August 2022

Explanatory Statement

Introduction

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held at 10.30 AM ACT on 30 September 2022 at the offices of Argonaut Resources, Level 6, 100 Pirie Street, Adelaide SA 5001.

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

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

Resolution 1 – Proposed IPO and spin-out of Orpheus Assets

1 Overview of Orpheus

1.1 Incorporation

Orpheus Minerals Limited ACN 643 685 929 (**Orpheus**) was incorporated by Argonaut on 21 August 2020. At that time, Argonaut was the sole shareholder of Orpheus, with 100 fully paid ordinary shares issued for nominal consideration of \$1.00 per share.

Orpheus conducted the 2021 Capital Raise on 28 and 29 October 2021, at which time Orpheus issued shares to Argonaut and 29 new Investors. Further details of the 2021 Capital Raise are provided in section 1.7 below and were provided in Argonaut's 31 December 2021 half-year report (available at www.argonautresources.com).

1.2 Orpheus Assets

As at the date of this Notice of Meeting, Orpheus has an interest (either via direct or indirect ownership or the right to acquire) in a number of uranium-focused exploration projects located in South Australia and the Northern Territory (**Orpheus Assets**), as follows:

South Australian Assets and Rights

- (a) through Orpheus' wholly owned subsidiary, Trachre Pty Ltd ACN 629 914 656 (**Trachre**), a 100% interest in granted South Australian exploration licence (**EL**) number 6554, which is located in the Frome Downs area of South Australia;
- (b) through Trachre, a 100% interest in granted SA EL 6555, which is located in the Curnamona area; and
- (c) an option to acquire a 100% interest in granted SA EL 6624, which is located in the Cummins area; and
- (d) a right to receive a transfer of a 100% interest in SA EL 6703, which is located in the Erudina area;

Northern Territory Assets and Rights

- (e) through Trachre, a 100% interest in granted Northern Territory EL 31451, which is located in the Mount Douglas area of the Northern Territory; and
- (f) Trachre is the sole registered applicant for Northern Territory Exploration Licence Application (**ELA**) numbers 32038 (Victoria Daly), 32445 (Roper Gulf), 32446 (West Arnhem), 33075 (Mount Douglas), 33088 (Woolner) and 33089 (Marrakai) and will (subject to grant) be entitled to hold a 100% interest in any resulting Northern Territory ELs.

Trachre has exercised its right to acquire SA EL 6624 (Cummins) and its right to be transferred SA EL 6703 (Erudina). The vendors of each of these EIs will be issued shares at the same time as completion of the Proposed IPO, which is a condition of completion of each of the transfers. Completion of the transfers is also conditional on Ministerial consent.

A summary of the Orpheus Assets is included in the table below:

Tenement No.	Registered Holder	Share Held	State	Grant Date	Expiry Date	Area-Square kilometers (km ²) or hectares (ha)	Geographical Location and Project Area
South Australian Granted Exploration Licences							
EL 6554	Trachre Pty Ltd#	100%	SA	7/12/2020	6/12/2022	960 km ²	Frome Downs area – approximately 180 km northeast of Peterborough, part of the Frome Project area.
EL 6555	Trachre Pty Ltd	100%	SA	7/12/2020	6/12/2022	947 km ²	Curnamona area -approximately 130 km northeast of Orroroo, part of the Frome Project area.
EL 6624	Groundwater Science Pty Ltd*	100%	SA	23/7/2021	22/7/2027	952	Cummins area approximately 50 km northwest of Port Lincoln, constituting the Cummins Project.
EL 6703	Groundwater Science Pty Ltd*	100%	SA	3/02/2022	2/02/2028	987 km ²	Erudina area – approximately 170km northwest of Port Augusta, part of the Frome Project area.
Northern Territory Granted Exploration Licences							
EL 31451	Trachre Pty Ltd	100%	NT	8/09/2017	7/9/2023	145 Blocks 484.52km ²	Mt Douglas, part of the Mt Douglas Project area.
Northern Territory Exploration Licence Applications							
EL 32038 (Application)	Trachre Pty Ltd	100%	NT	Application Date 22/11/2018	N/A	39 Blocks 127.49 km ²	Victoria Daly, part of the Mt Douglas Project area.
EL 32445 (Application)	Trachre Pty Ltd	100%	NT	Application Date 25/6/2020	N/A	69 Blocks 230.24 km ²	Roper Gulf Arnhem Land- ALRA, constituting the T-Bone Project.
EL 32446 (Application)	Trachre Pty Ltd	100%	NT	Application Date 25/6/2020	N/A	19 Blocks 63.71 km ²	West Arnhem Arnhem Land – ALRA constituting the Ranger NE Project.
EL 33075 (Application)	Trachre Pty Ltd	100%	NT	Application Date 15/12/2021	N/A	31 Blocks 103.63 km ²	Mt Douglas (Ban Ban), part of the Mt Douglas Project area.
EL 33088 (Application)	Trachre Pty Ltd	100%	NT	Application Date 20/12/2021	N/A	146 blocks 473.23 km ²	Woolner, part of the Woolner Project area.
EL 33089 (Application)	Trachre Pty Ltd	100%	NT	Application Date 20/12/2021	N/A	151 blocks 458.81 km ²	Marrakai, part of the Woolner Project area.

#Note: Trachre Pty Ltd is a wholly-owned subsidiary of Orpheus.

*Note: Orpheus has a right to acquire, or receive a transfer of, these licences from the registered holder and has exercised those rights.

1.3 Tenement locations

The locations of the Orpheus Assets are marked in brown on the following map:



1.4 Project Summaries

- **Frome Project:** targeting sediment/sandstone-hosted uranium mineralisation in the Frome Embayment, Orpheus' tenements cover a network of interpreted Tertiary palaeochannels south of Lake Frome, where mineralisation potential has been identified similar in style to producing uranium operations, delineated resources and advanced exploration projects at Beverley, Four Mile, Honeymoon and Goulds Dam.
- **Cummins Project:** targeting sediment hosted uranium mineralisation developed within Tertiary sediments of the Cummins-Wanilla basin on the Southern Eyre Peninsula. The basin sequence is prospective but relatively sparsely drilled, with first-pass drill traverses more than 10km apart in large areas of the basin. The conceptual deposit model of uranium bearing fluid movement through the basin to the south-east from the uriferous Dutton Suite granites to the north is yet to be fully tested.
- **Mount Douglas Project:** in the eastern part of the Rum Jungle Mineral Field of the Northern Territory, this area was the first major uranium mining and processing centre in Australia. There are a number of uranium mineral occurrences in the Mount Douglas region, most of which are interpreted to represent unconformity-style mineralisation, the principal target type in the project area.
- **Ranger North-East Project:** located within the Alligator Rivers Uranium Field approximately 30 km northeast of the Ranger uranium mine and approximately 15 km east of the Jabiluka deposit. The project area covers a distinct U/Th anomaly in open file regional radiometric survey data and is prospective for unconformity style uranium deposits.
- **T-Bone Project:** located in the South Alligator Valley Mineral Field, a narrow, northwest trending belt around 100 km southwest of Jabiru, which contains at least 13 uranium deposits and a further 15 uranium occurrences.

- *Woolner Project*: has the potential for the discovery of a large unconformity-style deposit in an area that has seen little previous exploration and is a conceptual target based largely on an interpretation of geology under cover.

1.5 Resources and historical exploration

Tenement No.	Historical exploration details
EL 6554	<p>Frome Project (Frome Downs)</p> <p>Historic exploration has primarily focused on sediment-hosted uranium mineralisation targeting inferred Tertiary palaeochannels of the Frome Embayment for roll-front-type uranium orebodies. Exploration has comprised airborne electromagnetic and ground gravity surveying, mud rotary drilling and downhole geophysical logging combined with lithological logging to differentiate between the Eocene Eyre Formation and the Miocene Namba Formation. Both units are known to contain uranium mineralisation.</p> <p>The Sandioota uranium prospect was defined adjacent to the inferred Frome Downs Palaeochannel where drilling penetrated anomalous gamma response at the contact of weathered basement with overlying clays with limited follow-up drilling. Further exploration is warranted.</p>
EL 6555	<p>Frome Project (Curnamona)</p> <p>Historic exploration has primarily focused on sediment-hosted uranium mineralisation targeting inferred Tertiary palaeochannels of the Frome Embayment for roll-front-type uranium orebodies. Exploration has comprised airborne electromagnetic and ground gravity surveying, mud rotary drilling and downhole geophysical logging combined with lithological logging to differentiate between the prospective Eocene Eyre Formation and the Miocene Namba Formation. Both units are known to contain uranium mineralisation.</p> <p>The Erudina Palaeochannel prospect was shown to contain significant anomalous uranium mineralisation. Geochemical analysis from a subset of drillholes displayed good correlation with downhole gamma results to support the existence of uranium mineralisation. Further exploration is warranted.</p>
EL 6703	<p>Frome Project (Erudina)</p> <p>Historic exploration has primarily focused on sediment-hosted uranium mineralisation targeting inferred Tertiary palaeochannels of the Frome Embayment for roll-front-type uranium orebodies. Exploration has comprised airborne electromagnetic and ground gravity surveying, mud rotary drilling and downhole geophysical logging combined with lithological logging to differentiate between the Eocene Eyre Formation and the Miocene Namba Formation, both units are known to contain uranium mineralisation.</p> <p>The Forester Bore prospect was shown to contain anomalous uranium from drill cuttings hosted in the Namba Formation which correlated with gamma response. A further uranium anomaly lies to the north-west at the One Gum Bore prospect. In addition, there is a drillhole with anomalous gamma response that lies within the inferred Erudina Palaeochannel to the west, with minor follow-up. Further exploration is warranted at all these sites.</p>
EL 6624	<p>Cummins Project</p> <p>Historic exploration has primarily focused on structurally-controlled sediment-hosted uranium mineralisation targeting inferred Tertiary sediments of the Cummins-Wanilla Basin that overlies granitic basement, for roll-front-type uranium orebodies. Exploration has comprised airborne geophysics, seismic, groundwater analysis, mud rotary drilling and geophysical logging combined with lithological logging to differentiate between the prospective units of the Eocene Lower and Upper Pidinga Formations and the Uley Formation, all units are known to contain uranium mineralisation. In addition, uranium-in-calcrete anomalism has been identified in lake sediments adjacent to Lake Malata.</p>
EL 31451	<p>Mt Douglas Project</p> <p>Historic exploration has primarily focused on structurally-controlled tin and gold mineralisation within the Mount Partridge Group referred to as the Jessops-Mount Masson mining area. Exploration to date has comprised airborne magnetics/radiometrics, surface sampling geochemistry for tin, gold and base metals, with minimal drill testing of identified anomalies. Surface sampling found that gold was anomalous within the Koolpin Formation and the area was mapped in detail for geological and structural interpretation.</p> <p>Uranium exploration has comprised airborne radiometrics targeting the South Alligator Group, followed by ground investigations of radiometric anomalies which identified there is a strong correlation between the upper section of the Koolpin Formation and the overlying Gerowie Tuff. In addition, radiometric anomalies are evident within outcropping uranium-bearing rocks recently identified near the base of the Kombolgie Sandstone which indicates prospectivity for unconformity-related uranium deposits.</p>

Tenement No.	Historical exploration details
EL 32038 (Application)	<p>Mt Douglas Project (Mary River)</p> <p>The Mt Douglas project (Mary River) covers a portion of Mot Douglas and Douglas Creek, situated within the Mary River National Park. Units of the Katherine River Group forms the Mount Douglas Outlier and unconformably overlies the South Alligator Group. The area is prospective for unconformity-related uranium deposits. Open file records show limited historic exploration.</p>
EL 33075 (Application)	<p>Mt Douglas Project (Ban Ban)</p> <p>The Mount Douglas (Ban Ban) project largely covers the Margaret Granite of the Cullen Supersuite, which comprises late-orogenic Palaeoproterozoic granites, causing contact/thermal aureole which contains most of the gold and other mineralisation in the Pine Creek Orogen. Rocks of the South Alligator Group and the Burrell Creek Formation are exposed in the project area and will be the focus of exploration. Open file records show limited historic exploration.</p>
EL 32445 (Application)	<p>T-Bone Project</p> <p>The T-Bone project lies within the South Alligator Valley Mineral Field which contains the Coronation Hill uranium deposit. The Coronation Hill mine produced 26,000 tonnes of uranium ore at 2.6kg/t U₃O₈ during the 1950s and 1960s. The T-Bone area is defined by a uranium/thorium radiometric anomaly that sits on a regional, northwest striking fault zone. In addition, Orpheus has identified a possible unconformity-style uranium target beneath alluvium to the north of this structure. No significant uranium exploration has been undertaken.</p>
EL 32446 (Application)	<p>Ranger NE Project</p> <p>The Ranger NE project lies within the Alligator Rivers Uranium Field, nearby to the Ranger and Jabiluka uranium deposits. The area is prospective for unconformity-style uranium targets defined by an untested strong radiometric uranium/thorium anomaly in the statewide dataset. Geologically, the anomaly sits at the base of the Kombolgie Subgroup at the intersection of a major northwest trending fault (Bullman Fault) and an intersecting east-northeast structure (Beatrice Fault). Drainage has created erosional windows beneath basal Kombolgie Subgroup to underlying stratigraphy. A historic uranium prospect is situated south of the licence on the Beatrice Fault. Open file records show limited historic exploration.</p>
EL 33088 (Application)	<p>Woolner Project (Woolner)</p> <p>The Woolner project is located within the Money Shoal Basin region of the Northern Territory. The application area encompasses a poorly exposed area of the Pine Creek Orogen that is concealed under ~50-100m of sediment of the Money Shoal Basin. The area is prospective for unconformity style uranium mineralisation at the unconformity between the Pine Creek Orogen and the overlying McArthur Basin, specifically where it overlies the Archaean-aged Woolner Granite. Airborne magnetics, regional and detailed gravity surveys were conducted as well as electrical surveys which were strongly affected by black soil plains and groundwater. A deep diamond drill hole returned weak anomalous gold that may warrant further investigation.</p>
EL 33089 (Application)	<p>Woolner Project (Marrakai)</p> <p>The Marrakai project is located within the Money Shoal Basin region of the Northern Territory. The application area encompasses a poorly exposed area of the Pine Creek Orogen that is concealed under ~50-100m of sediment of the Money Shoal Basin. The area is prospective for unconformity style uranium mineralisation at the unconformity between the Pine Creek Orogen and the overlying McArthur Basin, where it overlies the Archaean-aged Woolner Granite. Open file records show limited historic exploration.</p>

No mineral resource or ore reserve has been estimated, either by Orpheus or historically, over any of the tenements comprising the Orpheus Assets.

1.6 Orpheus Board of Directors

The Board of Directors of Orpheus comprises:

- (a) Patrick Elliott (Chairman);
- (b) Simon Mitchell (Managing Director);
- (c) Dr Darryl Clark (Non-Executive Director); and

(d) Mr Simon O’Loughlin (Non-Executive Director).

Profiles are provided below.

Patrick Elliott – Non-Executive Chairman

Mr Elliott is an investment banker who has over 40 years’ experience in financial management and resource investment and development. Mr Elliott has been an independent non-executive chairman of Argonaut for over 10 years. Mr Elliott currently holds non-executive directorships with Cap-XX Limited (AIM:CPX), Tamboran Resources Limited (TBN.ASX), Kirrama Resources Limited (unlisted) and Rockfire Resources PLC (ROCK.GB.PL).

Simon Mitchell – Managing Director / CEO

Simon Mitchell was appointed Managing Director of Orpheus effective from 1 November 2021. Mr Mitchell is a geologist and corporate executive with 31 years of resources industry experience in both technical and finance roles. From 2015 to 2021, Mr Mitchell was CEO and Managing Director of Southern Gold Limited, an ASX-listed gold exploration company with a focus on Australia and South Korea. Mr Mitchell is currently a Non-Executive Director of ASX-listed, Mount Ridley Mines Ltd (MRD.ASX).

Dr Darryl Clark (Non-Executive Director)

Dr Clark completed a PhD in Economic Geology at the Centre for Ore Deposit and Earth Science at the University of Tasmania, and is principally an exploration geologist. Dr Clarke has recent extensive experience in the uranium industry with Cameco Corporation, and has worked for RG Gold Joint Venture and Suncor Energy Inc. Dr Clark is currently a Non-Executive Director of ASX-listed, Battery Minerals Ltd (BAT.ASX). Former Directorships include Peako Limited (PKO.ASX), Xanadu Mines Limited (XAM.ASX) and DGO Gold Limited (DGO.ASX).

Simon O’Loughlin (Non-Executive Director)

Mr O’Loughlin is the founder of law firm O’Loughlins Lawyers, and has extensive experience in the corporate and commercial law fields. Mr O’Loughlin is the Non-Executive Chairman of Stellar Resources Limited (STZ.ASX) and a Non-Executive Director of Chesser Resources Limited (CHZ.ASX), Petratherm Limited (PTR.ASX) and Bod Australia Limited (BOD.ASX).

1.7 2021 Capital Raise

Orpheus raised \$670,000.00 in October 2021 through the issue of 22,400,000 fully-paid ordinary shares (**2021 Capital Raise**) to Argonaut and certain investors.

The key terms of the 2021 Capital Raise were as follows:

- (a) on 28 October 2021, 15,000,000 ordinary shares were issued to Argonaut at an issue price of \$0.02 per share for total consideration of \$300,000, which was offset against a loan of the same amount owing from Orpheus to Argonaut; and
- (b) on 29 October 2021, 7,400,000 ordinary shares were issued to a total of 29 seed investors at an issue price of \$0.05 per share for total consideration of \$370,000.

The 2021 Capital Raise was conducted in order to raise funds for Orpheus to continue to progress its interests in the Orpheus Assets and progress the Proposed IPO (and to resolve the debt owed to Argonaut).

Following the 2021 Capital Raise, and as at the date of this Notice, Orpheus has on issue 22,400,100 fully-paid ordinary shares, and no other classes of securities, which are held as follows:

- (a) 15,000,100 fully-paid ordinary shares are held by Argonaut, representing 66.96% of the total current issued share capital of Orpheus; and
- (b) 7,400,000 fully-paid ordinary shares are held by investors who participated in the 2021 Capital Raise, or persons to whom those investors have transferred their shares, representing 33.04% of the total current issued share capital of Orpheus.

No related party of Argonaut, nor any substantial holder of Argonaut, nor any of their respective associates, holds any shares in Orpheus.

1.8 2021 Capital Raise – Listing Rule 11.4 considerations

Listing Rule 11.4(c) states that a listed company must not permit a child entity that directly or indirectly holds a major asset to offer or issue securities with a view to the child entity becoming listed. Listing Rule 11.4(c) is described in further detail in sections 3 and 3.1 below.

At the time of the 2021 Capital Raise, the Orpheus Assets were not a ‘major asset’ (see section 3.1 below) for the purposes of Listing Rule 11.4 and, accordingly, Listing Rule 11.4(c) did not apply to the 2021 Capital Raise. This is because the disposal of approximately 33% of Orpheus via a decrease in economic interest through dilution:

- (a) did not result in a decrease of 25% or more of any the following measures (per the 30 June 2021 accounts, the most recent accounts at the time of the 2021 Capital Raise:
 - (i) total consolidated assets;
 - (ii) total consolidated equity;
 - (iii) consolidated annual expenditure;
 - (iv) consolidated EBITDA; or
 - (v) consolidated annual profit before tax; and
- (b) did not involve receipt of consideration exceeding 25% of consolidated total assets.

2 Proposed IPO

2.1 Proposed IPO of Orpheus

Argonaut intends for Orpheus to undertake an initial public offering of 30,000,000 ordinary shares at an issue price of \$0.20 per share (**Offer Price**) to raise a total of \$6.0 million (**Proposed IPO**). The Proposed IPO is subject to Shareholders passing Resolution 1 and the Argonaut Board’s final decision to proceed (taking into account market conditions and the interests of Shareholders). The Proposed IPO is also conditional on ASX approving Orpheus’s application for admission to the official list. There is no guarantee that ASX will exercise its discretion in favour of Orpheus’s application.

Orpheus has engaged Taylor Collison Limited to act as lead manager on the Proposed IPO.

The Proposed IPO will comprise:

- (a) a Broker Firm Offer made to clients of Taylor Collison (and any other participating broker) who are resident in Australia;
- (b) a General Public Offer made to Australian-resident investors; and
- (c) an Argonaut Priority Offer, reserving \$3.0 million, equivalent to 15 million shares at the Offer Price, for applications received from eligible shareholders of Argonaut as at the record date for the Argonaut Priority Offer.

A total of \$3.0 million worth of shares (being 15 million ordinary shares at the Offer Price) will be offered in aggregate under the Broker Firm Offer and General Public Offer.

In addition, a total of 3.3 million Orpheus shares will be issued as share-based consideration for the acquisitions of EL 6624 (Cummins) and 6703 (Erudina) pursuant to the contractual arrangements between Trachre and the vendor of the Els (**Consideration Shares**). The Consideration Shares will be issued at or around the time of issue of the Orpheus Shares in connection with the Proposed IPO and will be subject to escrow restrictions. Completion of the Proposed IPO will be conditional on the issue of the Consideration Shares.

Following the Proposed IPO and the issue of the Consideration Shares, Orpheus will have 55,700,100 fully paid ordinary shares on issue, comprising:

- (a) 15,000,100 shares held by Argonaut (26.93% of issued shares);
- (b) 7,400,000 shares issued in connection with the 2021 Capital Raise (13.29%); and

- (c) 15,000,000 shares held by Argonaut shareholders who participated in the Argonaut Priority Offer (26.93%) (assuming the Argonaut Priority Offer is fully subscribed);
- (d) 15,000,000 shares held by investors who participated in the Broker Firm Offer and General Public Offer (26.93%); and
- (e) 3,300,000 Consideration Shares to be issued to the vendor of the Cummins Licence and Erudina Licence (5.92%).

This will result in a reduction of Argonaut's interest in Orpheus from 66.96% to 26.93%, i.e. a reduction of 40.03%. Further, Argonaut will cease to control Orpheus.

On completion of the Proposed IPO and assuming applications under the Argonaut Priority Offer are equal to or exceed the \$3.0 million reserved for that offer, Argonaut and Argonaut's shareholders will hold in aggregate 53.86% of Orpheus's issued share capital (excluding any ARE shareholder who participated in the 2021 Capital Raise).

There is no guarantee that the Proposed IPO will proceed.

2.2 Argonaut Priority Offer

The Argonaut Priority Offer will be made to shareholders of Argonaut as at a specified Priority Offer record date who are resident in Australia (**Eligible Argonaut Shareholders**), and certain other overseas jurisdictions in circumstances where no filing or registration requirement applies (or as determined by the Board).

A total of \$3.0 million worth of shares (being 15 million Orpheus shares) will be reserved for Eligible Argonaut Shareholders under the Argonaut Priority Offer. Eligible Argonaut Shareholders will be offered shares under the Argonaut Priority Offer at the Offer Price, being \$0.20 per share. This is the same price at which shares will be offered under the Broker Firm Offer and General Public Offer.

The Proposed IPO does not involve an in-specie distribution of Orpheus shares to Argonaut shareholders. Accordingly, Argonaut shareholders must be Eligible Argonaut Shareholders and participate in the Argonaut Priority Offer in order to have a direct interest in Orpheus.

Eligible Argonaut Shareholders must apply for at least \$2,000 worth of Orpheus shares under the Argonaut Priority Offer and Orpheus will not make an allocation of shares under the Argonaut Priority Offer of less than this amount. This minimum threshold has been determined having regard to the ASX minimum spread requirements.

In the event that the Argonaut Priority Offer is oversubscribed, Orpheus will have regard to the number of Argonaut shares held by each Eligible Argonaut Shareholder who applies for shares, the number of shares applied for and the minimum allocation of \$2,000 worth of shares when determining the allocation.

If the oversubscription is significant, it may be determined that applicants with an Argonaut holding of less than a certain amount – for example, a marketable parcel – will receive no allocation. This would be to ensure that small shareholders do not benefit to the detriment of more material Argonaut shareholders (be receiving an allocation materially in excess of their pro rata entitlement).

Eligible Argonaut Shareholders will be encouraged to submit an application for shares in the Argonaut Priority Offer as soon as possible after the offer opens.

Eligible Argonaut Shareholders will be provided access to a copy of the prospectus to be issued by Orpheus in connection with the Proposed IPO, accompanied by a Priority Offer Application Form. Applications under the Argonaut Priority Offer will only be able to be made in the registered name of the relevant Eligible Argonaut Shareholder.

In the event that the full \$3 million worth of Orpheus shares are not subscribed for by Eligible Argonaut Shareholders, the shortfall will be allocated to Broker Firm Offer and General Public Offer participants.

Likewise, in the event that the full \$3 million worth of Orpheus shares available under the Broker Firm Offer and General Public Offer are not fully subscribed for, the shortfall will be allocated to any participants in the Argonaut Priority Offer.

2.3 Argonaut related party interests in Orpheus

No related party of Argonaut holds any shares in Orpheus.

In connection with the Proposed IPO, the following grants of options are intended to be made by Orpheus to the Orpheus Directors (which includes Patrick Elliott, Argonaut's chairman):

- (a) non-executive directors Darryl Clark and Simon O'Loughlin will each be granted 250,000 options;
- (b) non-executive chairman Patrick Elliott, who is also the non-executive Chairman of Argonaut, will be granted 500,000 options; and
- (c) managing director Simon Mitchell will be granted 1,000,000 options and a total of 1,000,000 performance rights.

The options to be granted by Orpheus will:

- (d) be granted for nil cash consideration around the time of completion of the Proposed IPO and will be fully vested on grant;
- (e) be exercisable for shares in Orpheus on a one-for-one basis (subject to the ASX Listing Rules) at an exercise price of \$0.35; and
- (f) expire five years after their grant.

The options (and any shares issued on their exercise) will be fully escrowed for two years from quotation of Orpheus shares on the official list of the ASX.

The options are being granted by Orpheus in order to maintain cash reserves for its operations whilst providing cost-effective consideration to the Orpheus Directors for agreeing to join the Orpheus Board and rewarding their contribution to Orpheus.

In addition, Joanna Morbey (the Company Secretary of Argonaut) will be granted 150,000 Orpheus options on the same terms as the options granted to the Orpheus directors, in consideration for Joanna agreeing to act as Company Secretary and in order to reward her contribution to Orpheus. Ms Morbey will also earn fees, at a fixed hourly rate, for the provision of her services as Company Secretary.

The performance rights granted to Simon Mitchell will:

- (g) be granted for nil cash consideration around the time of completion of the Proposed IPO;
- (h) be non-transferrable and will not confer any voting rights;
- (i) be exercisable for shares in Orpheus on a one-for-one basis (subject to the ASX Listing Rules) for nil consideration; and
- (j) vest on the two year anniversary of the grant date, subject to successful listing of Orpheus and continued employment at that time.

Orpheus shareholders have resolved in general meeting that the total aggregate amount payable to all non-executive directors for their services as directors must not exceed \$350,000 in aggregate in any financial year. Orpheus has agreed to pay its non-executive directors the following fees (in each case, exclusive of superannuation):

- (k) the chairman, Patrick Elliott, a fee of \$54,000; and
- (l) each non-executive director (Darryl Clark and Simon O'Loughlin) a fee of \$36,000.

Each non-executive director is entitled to a fee of \$12,000 per annum for each Board committee that the non-executive director is a member of. It is not intended that Orpheus will have any Board committees on listing.

In addition, Patrick Elliott has loaned \$100,000 to Orpheus to fund its working capital and Proposed IPO costs until completion of the Proposed IPO. The loan is unsecured, carries no interest and is repayable on the earlier of completion of the Proposed IPO (or another capital raising) and 25 January 2023.

2.4 ASX in-principle advice

On 10 August 2022 ASX advised Orpheus that, subject to being satisfied with Orpheus's accounts for the periods ending 30 June 2021 and 30 June 2022, and subject to ASX's overriding discretion, ASX was not aware of any other reasons which would cause Orpheus not to have a structure and operations suitable for a listed entity for the purposes of ASX Listing Rule 1.1 condition 1, or that would cause ASX to exercise its discretion to refuse to admit Orpheus to the official list of ASX pursuant to ASX Listing Rule 1.19. This is not a guarantee that Orpheus will be admitted to the official list.

2.5 Indicative Timetable

The timetable set out below is a summary of the indicative timetable for the Orpheus Spin-out. The timetable is indicative only and subject to change.

Event	Date
Argonaut Meeting to consider Orpheus Spin-out	30 September 2022
Lodgment of prospectus in connection with Proposed IPO (assuming Resolution 1 is passed)	3 October 2022
Record Date for Argonaut Priority Offer	4 October 2022
Opening Date for Proposed IPO	11 October 2022
Closing Date for Proposed IPO	25 October 2022
Issue of Shares	9 November 2022
Expected date for commencement of trading	15 November 2022

3 Orpheus Spin-out and Listing Rule 11.4

3.1 Listing Rule 11.4

Listing Rule 11.4(c) states that a listed company must not permit a child entity that directly or indirectly holds a major asset to offer or issue securities with a view to the child entity becoming listed.

3.2 What is a major asset?

Pursuant to ASX Guidance Note 13, ASX will regard an asset to be a major asset for the purposes of Listing Rule 11.4 if its disposal will result in a decrease of 25% or more in any of the following measures:

- consolidated total assets;
- consolidated total equity interests;
- consolidated annual revenue, or in the case of a mining exploration entity, oil and gas exploration entity or other entity that is not earning material revenue from operations, consolidated annual expenditure;
- consolidated EBITDA; or
- consolidated annual profit before tax,

or if the value of the consideration received by the listed entity and its security holders for disposing of the asset exceeds 25% of its consolidated total assets.

An asset may also be a major asset if it is considered to be of strategic importance to an entity.

3.3 Orpheus Spin-out and Listing Rule 11.4 considerations

ASX Guidance Note 13 notes that ASX Listing Rule 11 has been drafted with a view to capturing all forms of spin-outs, regardless of how they are structured.

Guidance Note 13 contemplates that a spin-out:

"...might not involve any form of pro rata distribution of securities in the child entity to holders of the listed entity. The child entity might instead simply conduct an IPO that swamps the shares held by the listed entity in the child entity.....These types of transactions are caught by Listing Rule 11.4(c)."

This is, in effect, the result of the Proposed IPO – Argonaut’s controlling interest in Orpheus will be diluted to a non-controlling interest as a result of the issue of new shares.

Accordingly, the Proposed IPO represents a **partial, non-standard spin-out**, as described in ASX Guidance Note 13 (**Orpheus Spin-out**). As noted above, the Orpheus Spin-out will be captured by ASX Listing Rule 11.4(c) if Orpheus is considered to be a major asset (see section 3.1).

The Board now considers that Orpheus represents a major asset (see section 3.4).

Listing Rule 11.4.1 states that Listing Rule 11.4 will not apply in the following cases:

- (a) the securities, except those to be retained by the entity, are offered, issued or transferred pro rata to the holders of ordinary securities in the entity, or in another way that, in ASX's opinion, is fair in all the circumstances; or
- (b) the holders of ordinary securities in the entity approve of the transaction without the offer, issue or transfer referred to in rule 11.4.1(a) being made. The notice of meeting must include a voting exclusion statement.

The Board considers that the exception in Listing Rule 11.4.1(a) may not be available on the basis of the 2021 Capital Raising and potentially the Broker Firm Offer and General Public Offer components of the Proposed IPO.

Accordingly, Resolution 1 seeks Shareholder approval for the Orpheus Spin-out for the purposes of Listing Rule 11.4.1(b).

If Resolution 1 is passed, Argonaut will be able to proceed with the Orpheus Spin-out (subject to the Board's discretion).

If Resolution 1 is not passed, Argonaut will not be able to proceed with the Orpheus Spin-out and the Proposed IPO will not be able to proceed.

3.4 Argonaut financial information

The pro forma statement of financial position of Argonaut showing the financial effect of the Orpheus Spin-out on Argonaut as at 31 December 2021 is set out at Schedule 1.

The table below sets out the relevant Argonaut information derived from Argonaut's most recent accounts at the time of the Orpheus Spin-out, being the 31 December 2021 accounts lodged with ASX on 15 March 2022 (**H1FY22 Accounts**).

In the H1FY22 Accounts, Argonaut reported an impairment of its Lumwana West asset awaiting clarification of licence ownership of \$2,004,632.

	H1FY22 Accounts	Annualised ([^])	Estimated change as a result of the Orpheus Spin-out (#)	Percentage increase or decrease as a result of the Orpheus Spin-out
Total consolidated assets	\$8,382,404	n/a	\$2,347,110	28% increase
Total consolidated equity	\$7,552,848	n/a	\$2,374,311	31% increase
Consolidated expenditure	\$(2,942,803)	\$(3,880,974)	N/A*	N/A*
Consolidated EBITDA Note: loss before income tax adjusted for depreciation and implied interest	\$(2,882,622)	\$(3,760,612)	\$2,374,311	82% increase
Consolidated profit/(loss) before tax	\$(2,941,592)	\$(3,878,552)	\$2,374,311	81% increase

([^]) Note: The annualised amounts for consolidated expenditure, consolidated EBITDA and consolidated profit/(loss) before tax are calculated by annualising the relevant measure in the H1FY22 Accounts (i.e., multiplying by 2) after adjusting for the provision for impairment to the Zambian assets which is not multiplied by 2 on the basis of the non-recurring nature of the impairment loss.

* Note: Following completion of the Orpheus Spin-out, Argonaut will no longer incur cash expenditure in relation to the Orpheus Assets. Following completion of the Proposed IPO, Argonaut will record its share of Orpheus's profit or loss in

accordance with associate accounting.

(#) Note: Calculated using the Orpheus share price at which shares will be issued under the Proposed IPO, being \$0.20.

The estimated changes in total consolidated assets, total consolidated equity, annualised consolidated expenditure, annualised consolidated EBITDA and annualised consolidated annual profit/(loss) before tax reflect the expected one-off impacts of the change in accounting treatment for Argonaut's investment in Orpheus following the Proposed IPO. In particular, it reflects the fact that Orpheus will no longer be a subsidiary of Argonaut, but will become an investment by Argonaut into Orpheus, which will be classified for accounting purposes as an investment in an associate. The value of Argonaut's investment in Orpheus upon IPO will be the market valuation of Orpheus at the date of IPO. The valuation of Argonaut's investment in Orpheus is indicative and subject to change pending the Proposed IPO occurring. The values above reflect an assumed share price of \$0.20 on the date of IPO for the 15,000,100 shares owned by Argonaut.

These impacts are one-off and non-recurring and hence the values set out above for annualised consolidated expenditure, annualised consolidated EBITDA and annualised consolidated profit/(loss) before tax do not reflect the expected results of Argonaut or Orpheus in the future. Argonaut's investment in Orpheus is subject to impairment testing, and in the event the investment is impaired, the carrying value will be written down and impairment losses will be recorded through profit or loss, which will impact on the annual expenditure, consolidated EBITDA and consolidated profit/(loss) before tax of Argonaut in the future.

On the basis of the information provided above, the Orpheus Spin-out is expected to be value accretive to Argonaut on the date of IPO, with the impacts thereafter dependent on the respective outcomes on the Orpheus Assets, and other assets in the Argonaut Group, including the Zambian assets.

3.5 Value of Orpheus Assets and Major Asset

The carrying value of the Orpheus Assets in the H1FY22 accounts contributed \$652,910 to total consolidated assets and \$638,915 to total consolidated equity, representing 7.8% of the total consolidated assets and 8.5% of the total consolidated equity of the Company as at 31 December 2021.

The value attributed to Argonaut's holding of Orpheus shares at the 2021 Capital Raising issue price is \$750,005.

In the event that the Orpheus Spin-out is approved and the Proposed IPO is completed, Orpheus will have a market capitalisation of \$11,140,020 and the "market value" of Argonaut's shares in Orpheus will be approximately \$3 million (at the Proposed IPO issue price of \$0.20 per share).

The Board considers that, in the circumstances, the deemed value of the consideration received by Argonaut as a result of the Orpheus Spin-out may be measured as the uplift in implied value of Argonaut's Orpheus shares as a result of the Orpheus Spin-out, calculated at the Proposed IPO offer price of \$0.20 (being $15,000,100 * \$0.20 = \$3,000,020$) less the implied value of the Argonaut's Orpheus shares as a result of the 2021 Capital Raising (being \$750,005). This results in an implied uplift in value of \$2,250,015, which is 26.8% of the total consolidated assets of Argonaut as at H1FY22.

The valuation of Argonaut's investment in Orpheus is indicative and subject to change pending the Proposed IPO occurring, and is dependent on the valuation of Orpheus at the date of the Proposed IPO. The values reflect an assumed share price of \$0.20 on IPO for the 15,000,100 shares owned by Argonaut. In the event the Proposed IPO offer price is less, or more, than the assumed \$0.20, this will impact the valuation of Orpheus in Argonaut's books upon completion of the Proposed IPO.

As noted in 3.3 above, Argonaut's investment in Orpheus is subject to impairment testing, and in the event the investment is impaired, the carrying value will be written down and impairment losses will be recorded through profit or loss of Argonaut, which will impact on the value of the investment in the Orpheus asset in the books of Argonaut.

On the basis of the uplift in implied value of Argonaut's Orpheus shares as a result of the Orpheus Spin-out representing in excess of 25% of total consolidated assets of Argonaut as at H1FY22, the Board considers that the Orpheus Spin-out may represent the disposal of a major asset for the purposes of Listing Rule 11.4. Further, given the recent non-renewal of the Lumwana licence, the Board considers that Orpheus may represent a strategic asset for Argonaut. Accordingly, Argonaut seeks Shareholder approval of the Orpheus Spin-out for the purposes of Listing Rule 11.4.1(b).

3.6 Effect of the Orpheus Spin-out

The pro forma statement of financial position of Argonaut showing the financial effect of the Orpheus Spin-out on Argonaut as at 31 December 2021 (the most recent audited or reviewed accounts of Argonaut) is set out at Schedule 1.

The Proposed IPO will:

- (a) not impact the capital structure of Argonaut;
- (b) not have a dilutionary effect on Argonaut Shareholders;
- (c) not result in any changes to the Board or Company name;

- (d) result in Orpheus ceasing to be majority-owned by Argonaut; and
- (e) may result in a material increase in the market value of Argonaut's Orpheus shares, notwithstanding that Argonaut will lose its controlling interest in Orpheus as a result of the dilution.

Shareholders will not be impacted by the Proposed IPO, other than to the extent of the Company's decrease in economic ownership of the Orpheus Assets, the financial implications outlined in this Notice and any participation in the Argonaut Priority Offer.

3.7 Advantages of the Orpheus Spin-out

The Directors believe that Orpheus Spin-out is in the interests of Argonaut shareholders for the following non-exhaustive list of reasons:

- (a) Orpheus will have its own board and a management team with significant uranium exploration experience that can focus on and progress the Orpheus Assets;
- (b) it will provide Orpheus with the capital to implement an exploration program on the Orpheus Assets and will enhance Orpheus's ability to raise additional equity funds if and when required in the future;
- (c) it will provide eligible Argonaut shareholders with the opportunity to have direct exposure to a uranium-focused exploration company;
- (d) it will enable Argonaut to direct its expenditure and management resources towards exploration at Argonaut's other projects and continue its strategic focus on large copper exploration targets;
- (e) it is expected to increase the market value of Argonaut's interest in Orpheus (depending on the share price of Orpheus post-listing);
- (f) the Orpheus Spin-out will not involve a distribution or transfer of Orpheus shares, which can have potentially adverse taxation and stamp duty implications;
- (g) Argonaut will retain a direct interest of 26.93% of the total issued capital in Orpheus, thereby giving Argonaut Shareholders a material indirect interest in Orpheus; and
- (h) Argonaut Shareholders will have the opportunity to subscribe for 15,000,000 Orpheus shares in the Argonaut Priority Offer, being 50% of the shares available in the Proposed IPO and approximately 26.93% of the total issued capital on listing.

The Orpheus Spin-out does not result in the pro rata offer, issue or transfer of shares referred to in Listing Rule 11.4.1(a) (see section 3.3) on the basis of the 2021 Capital Raising – meaning that 100% of Orpheus shares could not be distributed pro rata to Argonaut holders - and potentially the Broker Firm Offer and General Public Offer components of the Proposed IPO. The 2021 Capital Raising was undertaken in order to provide Orpheus with capital to fund its operations and the Proposed IPO (and in order to resolve the debt owed by Orpheus to Argonaut). The Board considers that the Broker Firm Offer and General Public Offer components of the Proposed IPO is reasonable and appropriate in order to enable Orpheus to offer shares to a broader range of investors, which the Board considers reduces the risk of the Proposed IPO failing to raise the \$6 million minimum subscription and increases the ability of Orpheus to meet ASX's spread requirements. Further, the Board considers that reserving 50% of the shares available in the Proposed IPO is fair and equitable for Argonaut Shareholders and notes that Argonaut shareholders will also retain an indirect interest in Orpheus via Argonaut's 26.93% holding.

3.8 Disadvantages of Orpheus Spin-out

The Directors believe that the following potential disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the proposed disposal involves Argonaut reducing its interest in Orpheus, which may not be consistent with the investment objectives of all Shareholders;
- (b) Argonaut will lose the ability to control Orpheus; and
- (c) Orpheus will incur increased costs from being a separate listed entity.

The Company notes that, while the acquisition and disposal of shares have tax consequences which will differ depending on the individual tax affairs of each Shareholder, the Orpheus Spin-out is not expected to have any direct tax implications on Shareholders (until the point in time at which any shares subscribed for are disposed of).

3.9 Implications if the Orpheus Spin-out does not proceed

If Resolution 1 is passed, Argonaut will be able to proceed with the Orpheus Spin-out.

If Resolution 1 is not passed, Argonaut will not be able to proceed with the Orpheus Spin-out and the Proposed IPO will not be able to proceed.

In the event that Resolution 1 is not passed or for any other reason the Orpheus Spin-out does not proceed:

- (a) Argonaut will continue to hold 66.96% of Orpheus, and continue to investigate opportunities to obtain value from the Orpheus Assets;
- (b) Argonaut may be required to separately fund Orpheus's exploration activities or find other sources of funding; and
- (c) Argonaut will not receive the expected value uplift in its Orpheus shareholding.

3.10 Material information

Comprehensive disclosure required by Guidance Note 13 regarding the Orpheus Spin-out is contained within this Explanatory Statement, including:

- (a) the name of the spin-out vehicle and its parent entity, being Orpheus Minerals Limited and Argonaut Resources NL respectively;
- (b) how the Orpheus Spin-out is to be effected (including details of consideration, securities, participation and timetable) – see in particular sections 2 and 3.1;
- (c) information regarding the asset being spun out (Orpheus Minerals Limited), asset descriptions and valuations – see sections 1 and 3 and Schedule 1;
- (d) the impact the spin-out will have on Argonaut (including financial measures) – see section 3 and Schedule 1;
- (e) the impact of the Proposed IPO on Shareholders - see sections 3.6, 3.7 and 3.8;
- (f) the reason why the Directors consider that effecting the Orpheus Spin-out as a non-standard spin-out is in the interests of Argonaut and its shareholders - see section 3.7; and
- (g) a voting exclusion statement, which is included in the Notice of Meeting.

3.11 Board interests

The Board notes that its Directors have the following interests in the outcome of Resolution 1:

- (a) as at the date of this Notice of Meeting, Patrick Elliott is a director of Orpheus and Joanna Morbey (Company Secretary of Argonaut) is company secretary of Orpheus. Each of Patrick Elliott and Joanna Morbey will earn fees in their respective capacities – see section 2.3 for details. All of the current Directors of Argonaut intend to remain as Directors of Argonaut following Orpheus' proposed listing; and
- (b) each of Argonaut Directors Elliott, Owler, Billing and Bursill holds an indirect interest in the capital of Orpheus by virtue of their respective shareholdings in Argonaut, the current parent company of Orpheus (though it is noted that their indirect interest in Orpheus will be diluted by virtue of the Proposed IPO).

The Board does not consider that the above interests are considered material in the context of the Proposed IPO.

None of the Argonaut Directors, nor any of their Associates, holds any relevant interest in Orpheus shares

3.12 Board recommendation

The Board has approved the proposal to put Resolution 1 to the Shareholders.

Based on the information available, all of the Directors consider that the proposed partial, non-standard spin-out of Orpheus pursuant to the Orpheus Spin-out is in the best interests of the Company and the Shareholders; and **recommend that Shareholders vote in favour of Resolution 1.**

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

4 Enquiries

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

5 Glossary

2021 Capital Raise means the capital raise conducted by Orpheus as described in section 1.7 of the Explanatory Statement.

ACT means Australian Central Time as observed in Adelaide, South Australia.

ASIC means Australian Securities and Investment Commission.

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

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

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

Board means the current board of Directors of the Company.

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

Chair means the person chairing the Meeting.

Company or **Argonaut** means Argonaut Resources NL ACN 008 084 848.

Consideration Shares has the meaning given to that term in section 2.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a current director of the Company.

Dollar or “\$” means Australian dollars.

EL means exploration licence.

Eligible Argonaut Shareholders has the meaning given in section 2.2 of the Explanatory Statement.

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

Extraordinary General Meeting or **EGM** or **Meeting** means the extraordinary general meeting of the Company’s members convened by this Notice of Meeting.

FY means financial year (which, for each of Argonaut and Orpheus ends on 30 June).

Notice, Notice of Meeting or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting dated 19 August 2022 including the Explanatory Statement.

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

Orpheus means Orpheus Minerals Limited ACN 643 685 929.

Orpheus Assets means the assets set out in section 1.2 of the Explanatory Statement.

Orpheus Spin-out has the meaning given to that term in section 3.3.

Priority Offer has the meaning given to that term in section 2.2 of the Explanatory Statement.

Proposed IPO means the proposed initial public offering of Orpheus, as described in section 2.1 of the Explanatory Statement.

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

Resolution means the resolution set out in this Notice of Meeting.

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

Shareholder means a holder of a Share.

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

Trachre means Trachre Pty Ltd ACN 629 914 656.

Schedule 1 – Pro forma statement of financial position of Argonaut



Argonaut Resources NL

Proforma Balance Sheet following Orpheus Spin-out

Based on 31 December 2021 Reported Figures

	Actual reviewed as at 31 December 2021	Pro-forma Adjustment	Note	Unaudited Proforma Historical as at 31 December 2021
Assets				
Cash and other Current Assets	2,296,140	- 323,294	1	1,972,846
Non Current Assets				
Property, plant and equipment	49,703			49,703
Exploration and evaluation	6,002,814	- 329,616	2	5,673,198
Investment into Orpheus Minerals Limited	-	3,000,020	3	3,000,020
Right of Use assets	33,747			33,747
Total non-current assets	6,086,264			8,756,668
Total Assets	8,382,404	2,347,110		10,729,514
Liabilities				
Total Current Liabilities	580,215	- 27,201	4	553,014
Non-current liabilities	249,341			249,341
Total Liabilities	829,556			802,355
Net Assets	7,552,848	2,319,909		9,927,159
Equity				
Contributed equity	62,363,294			62,363,294
Reserves	1,995,633			1,995,633
Accumulated Losses	-	2,740,224		54,431,768
	7,186,935			9,927,159
Non-controlling interest	365,913	- 365,913	5	-
Total Equity	7,552,848	2,374,311		9,927,159

Note 1 - Removal of Orpheus Minerals Limited bank account

Note 2 - Removal of capitalised exploration expenditure capitalised relating to Orpheus Minerals Limited

Note 3 - Investment in Associate of 15,000,100 shares in Orpheus Minerals Limited @ \$0.20 per share

Note 4 - Removal of payables balances relating to Orpheus Minerals Limited

Note 5 - Removal of non-controlling interest relating to the minority interests in Orpheus Minerals Limited

All Correspondence to:

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

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (ACT) on Wednesday 28 September 2022.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/argonautgm2022>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (ACT) on Wednesday 28 September 2022.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

- 🖥 **Online** <https://www.votingonline.com.au/argonautgm2022>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

Argonaut Resources NL

ABN 97 008 084 848

Your Address

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

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

PROXY FORM

STEP 1 APPOINT A PROXY

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

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at **Level 6, 100 Pirie Street, Adelaide SA 5000 on Friday, 30 September, 2022 at 10:30am (ACT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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

STEP 2 VOTING DIRECTIONS

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

Resolution 1 Disposal of interest in Orpheus via Orpheus Spin-out

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2022