

24 August 2022

## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

### Argonaut Resources NL Announces Non-Renounceable Entitlement Offer

Argonaut Resources NL (ASX: ARE) (**Argonaut** or the **Company**) is pleased to announce a one for two non-renounceable entitlement offer of new ordinary shares (**New Shares**) at an issue price of A\$0.001 per New Share to raise up to A\$1,809,513 (**Entitlement Offer**).

The proceeds of the Entitlement Offer will be used to fund the exploration of potentially lithium-bearing pegmatites at the Company's Higginsville project in Western Australia, expenses related to the recovery of the Lumwana West exploration licence in Zambia, general working capital and costs associated with this Entitlement Offer.

#### Higginsville Lithium Exploration<sup>1</sup>

- Field mapping and sampling by Argonaut has defined an extensive swarm of lithium-caesium-tantalum pegmatite dykes (*LCT Pegmatites*).
- The prospectivity of these LCT pegmatites, known as the Darson Pegmatite Swarm, is confirmed by Caesium and Rubidium assays.
- Initial mapping has delineated five pegmatites up to 90m in thickness, located at the margin of the Pioneer Granite.
- This is a prime geological setting for the discovery of a lithium deposit and is located within four kilometres of the Dome North lithium pegmatite deposits and 12 kilometres of the Sinclair Caesium Mine.
- Regionally, the Darson Pegmatite Swarm is located near the centre of a cluster of lithium Resources including: Bald Hill (Alliance), Mount Marion (Mineral Resources) and Buldania (Liontown).
- Argonaut holds an 80% interest in exploration licence E15/1489 under a new JVA. E15/1489 hosts:
  - the Darson Pegmatite Swarm;
  - the Amorphous gold deposit; and
  - the Footes Find gold prospect.
- Argonaut intends to:
  - commence fieldwork at Higginsville on 26 September 2022;
  - complete soil sampling, rock chip sampling and mapping to define possible extensions to the known pegmatites plus potential new pegmatites;
  - seek approvals for an RC drilling campaign targeting lithium; and
  - proceed to drill the lithium targets following confirmation of sampling results and receipt of statutory approvals.

#### Lumwana West Licence Recovery

- Argonaut is continuing to work cooperatively with the relevant Zambian authorities to achieve the reinstatement of exploration licence 22399-HQ-LEL, Lumwana West.

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<sup>1</sup> <https://www.argonautresources.com/site/pdf/a797f0ff-48c3-4bfc-ba27-60e0d99c771a/Higginsville-Swarm-of-Lithium-Pegmatites-to-be-Explored.pdf>

- As recently as 12 August 2022, Zambia's President, Hakainde Hichilema, committed his government to fighting corruption<sup>2</sup>.
- Following advice from the Minister for Mines and Mineral Development, the Hon. Paul Kabuswe MP, on 27 April 2022 that Argonaut's appeal was under active consideration, the Company has assisted appropriately with investigations into shortcomings and illegalities in the Governmental processes that led to the purported licence cancellation.
- The Company has also made presentations on the extent and quality of exploration and feasibility work completed on the project to date, as well as the Company's investment track-record in Zambia.
- Argonaut's objective of completing a feasibility study into a two-phase copper/cobalt mine and processing facility at Lumwana West compliments the Zambian Government's stated objective of greatly increasing copper production.

### **Murdie Copper Exploration**

- Argonaut has partnered with SensOre Limited, a mineral exploration artificial intelligence (AI) and machine learning leader to generate copper-gold probability targets at the Murdie project using SensOre's proprietary AI and machine learning.
- Initial copper-gold probability mapping by SensOre generated a major new copper-gold target within the Murdie licences that is subject to further consideration by the Argonaut team.
- Argonaut continues to engage with relevant contractors in relation to further drilling at Murdie.
- On 16 March 2021, the Barngarla Determination Aboriginal Corporation filed an application in the South Australian Supreme Court for a review of the authorisation announced to the ASX by Argonaut on 4 January 2021.
- The review was heard in July 2021. The parties are awaiting judgement.

### **1 Entitlement Offer**

Eligible shareholders will be invited to subscribe for one New Share for every two existing ordinary shares held at 7.00pm (Sydney time) on Monday, 29 August 2022 (**Record Date**) (**Entitlement**).

Eligible shareholders who take up their Entitlement in full may also apply for additional New Shares in excess of their Entitlement (**Additional New Shares**) under a 'Top Up Facility' (**Top Up Offer**). The issue of Additional New Shares under the Top Up Offer will be dependent on there being a shortfall in the take up of pro rata entitlements under the Entitlement Offer. As such, there is no guarantee that a shareholder who applies for Additional New Shares will receive all or any of the Additional New Shares that they subscribe for.

New Shares issued under the Entitlement Offer will rank equally with existing fully paid ordinary shares from issue from Argonaut.

The Entitlement Offer is scheduled to open at 9.00am (Sydney time) on Thursday, 1 September 2022 and close at 5.00pm (Sydney time) on Monday, 19 September 2022. All New Shares in the Entitlement Offer will be issued at a price of A\$0.001 per New Share.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their Entitlements under the Entitlement Offer in full or in part will not receive any value in respect to those Entitlements not taken up.

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<sup>2</sup> <https://www.wsj.com/articles/in-a-tough-time-for-democracy-zambia-stands-out-elections-media-economic-diplomacy-education-investment-kwacha-currency-inflation-11660328811>

New Shares will be quoted on a deferred settlement from market open on Tuesday, 13 September 2022 and issued on or about Monday, 26 September 2022. It is the responsibility of eligible shareholders to determine their allocation prior to trading in New Shares.

In order to take up Entitlements, Shareholders must meet certain eligibility criteria that are set out in the offer booklet. In particular, persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to participate in the Entitlement Offer (unless the Company decides to extend the Entitlement Offer to such a person in its sole and absolute discretion).

Eligible shareholders should read the entitlement offer booklet in full before deciding whether to subscribe for New Shares. Eligible shareholders who wish to acquire New Shares under the Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form that will accompany the offer booklet.

Further details about the Entitlement Offer will be set out in the offer booklet, which the Company expects to lodge with ASX today, Wednesday, 24 August 2022, and dispatch to eligible shareholders with an entitlement and acceptance form on Thursday, 1 September 2022. The offer booklet will be available on ASX's website ([www.asx.com.au](http://www.asx.com.au)) and on the Company's website ([www.argonautresources.com](http://www.argonautresources.com)).

## 2 Indicative Timetable for Entitlement Offer

Event	Time
Announcement of the Offer Lodgement of Appendix 3B, Offer Booklet and Cleansing Notice	Before commencement of trading on Wednesday, 24 August 2022
Trading on an ex basis	Friday, 26 August 2022
Record Date for Offer and determining entitlements to participate in Entitlement Offer	7.00pm (Sydney time) on Monday, 29 August 2022
Offer opening at 9.00am (Sydney time)	Thursday, 1 September 2022
Offer Booklet and Entitlement and Acceptance Forms dispatched to Eligible Shareholders and dispatch announced to ASX	Thursday, 1 September 2022
Offer closes at 5.00pm (Sydney time)	Monday, 19 September 2022
Shares quoted on a Deferred settlement basis	Tuesday, 20 September 2022
Announcement of results of Offer	Thursday, 22 September 2022
Issue date of Offer Shares	Monday, 26 September 2022
Quotation of Offer Shares	Tuesday, 27 September 2022

- (1) The Entitlement Offer timetable is subject to change. The Company reserves the right to vary the timetable for the Entitlement Offer without notice, subject to the Corporations Act 2001 (Cth), ASX listing rules and other applicable laws. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.

- (2) It is the responsibility of shareholders to determine their allocation prior to trading in the New Shares. Shareholders who sell New Shares before they receive confirmation of their allotment will do so at their own risk.

### **3 Shareholder Enquiries**

Eligible shareholders who have questions relating to the Entitlement Offer should call the Company's share registry Boardroom Pty Limited on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the period of the Entitlement Offer.

For and on behalf of the Company

Ms Joanna Morbey  
Company Secretary

This announcement has been authorised for release to ASX by the Board of Directors of Argonaut Resources NL.

## **IMPORTANT NOTICE AND DISCLAIMER**

This release is for information purposes only and is not financial product or investment advice or a recommendation to acquire Shares (nor does it or will it form any part of any contract to acquire Shares). The information in this release is in summary form and does not contain all the information necessary to fully evaluate the Entitlement Offer or any potential investment in Argonaut. It should be read in conjunction with Argonaut's other periodic and continuous disclosure announcements lodged with ASX. This release has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives and financial situation and seek legal, financial and taxation advice.

This announcement is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This announcement is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in ARE.

### **Not for release in United States**

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares have been or will be registered under the U.S. Securities Act of 1933 (the **US Securities Act**) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. Accordingly, the Entitlements may only be taken up by, and the New Shares may only be offered or sold to, persons that are not in the United States and are not acting for the account or benefit of a person in the United States.

### **Australian dollars**

All dollar values are in Australian dollars (A\$) unless otherwise stated. All times and dates refer to Sydney time, unless stated otherwise.

### **Forward Looking Statements**

This announcement may contain certain forward looking statements. The words anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan, consider, foresee, aim, will and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future activities, financial position and performance of Argonaut and Shares are also forward looking statements. Such forward looking statements are based on an assessment of present economic and operating conditions and a number of assumptions regarding future events and actions that, as at the date of this announcement are expected to take place and are provided as a general guide only. Argonaut cannot and does not give any assurance that the activities, results, performance or achievements expressed or implied by such statements will actually occur. Any such activity, result, performance or achievement involves known and unknown risks, uncertainties and other factors, many of which are outside the control of Argonaut and which are based on change without notice, and could cause such activities, results, performances or achievements to differ materially from those expressed or anticipated in such statements. Shareholders are cautioned not to place undue reliance on these forward looking statements.

### **Risks**

An investment in New Shares is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are beyond the control of Argonaut and the Board which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this announcement. Neither ARE,

its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or any particular rate of return or the performance of ARE, nor does it guarantee the repayment of capital from Argonaut or any particular taxation treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in the Entitlement Offer Booklet.

<b>For further information please contact:</b>	<b>For media and investor enquiries please contact:</b>
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### **About Argonaut Resources NL (ASX: ARE)**

Argonaut Resources NL is an ASX-listed company focused on:

- recovering the Lumwana West copper-cobalt project in Northwestern Zambia;
- exploration of potentially lithium-bearing pegmatites at the Company's Higginsville project in Western Australia; and
- exploring its 100% held Murdie iron oxide copper-gold (IOCG) targets in South Australia.

Argonaut invests primarily in copper exploration and development.

The company holds an impressive portfolio of exploration tenements in:

- the Central African Copperbelt; and
- South Australia's Olympic Domain.