

25 September 2023

Market Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

**Argonaut Resources N.L. (ASX: ARE)
FULLY UNDERWRITTEN NON-RENOUCEABLE ENTITLEMENT OFFER**

Argonaut Resources N.L. (ASX: ARE) ACN 008 084 848 (**Argonaut** or the **Company**) is pleased to announce that it is undertaking a fully underwritten non-renounceable pro-rata entitlement offer of new fully paid ordinary shares in the Company (**Shares**) to raise approximately \$3.66 million (before costs) (**Entitlement Offer**).

The Entitlement Offer will allow existing eligible shareholders to apply for one new Share (**New Shares**) for every one Share held at 7pm (AEST) on Monday, 2 October 2023 (**Record Date**) at a post-consolidation basis offer price of \$0.05 per New Share (**Offer Price**).

The Entitlement Offer is being conducted on a post-consolidation basis – refer to the Company's Notice of General Meeting dated 17 August 2023 for further details of the consolidation.

The Entitlement Offer will give Eligible Shareholders (defined below) the opportunity to maintain their shareholding in the Company without paying brokerage fees or other transaction costs, irrespective of holding size.

The funds raised from the Entitlement Offer will be used as follows:

Use of Funds	
Exploration for uranium mineralisation	A\$2.06 million
Working capital	A\$1.38 million
Cost of issue	A\$0.22 million
Total	A\$3.66 million

Taylor Collison Limited (**Underwriter**) is acting as the lead manager and underwriter to the Entitlement Offer and has fully underwritten the Entitlement Offer. The material terms of the underwriting agreement are detailed in Appendix A of this announcement.

Offer Price

All New Shares issued under the Entitlement Offer will be issued at a price of A\$0.05 per New Share on a post consolidation basis, which represents a 50% discount to the closing price of Shares on the ASX on Friday, 22 September 2023 of \$0.10.

Eligible Shareholders

Eligible Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7pm (AEST) on Monday, 2 October 2023;
- have a registered address on the Company share register in Australia or New Zealand, or are, in the opinion of the Company, otherwise eligible to receive an offer of New Shares under the Entitlement Offer; and
- are not in the United States and are not acting for the account or benefit of a person in the United States.

If you are a shareholder who does not satisfy each of the criteria listed above, you will not be entitled to participate in the Entitlement Offer to subscribe for New Shares.

Entitlement Offer

Eligible Shareholders are being invited to apply (at the Offer Price) for one New Share for every one Share held at the Record Date. The Entitlement Offer is expected to open on Thursday, 5 October 2023 and close at 5:00pm (AEST) on Tuesday, 17 October 2023 (unless modified by the Argonaut Board).

The entitlements are non-renounceable and accordingly cannot be traded on the ASX.

Under the Entitlement Offer, Argonaut will offer a maximum of 73,161,520 New Shares, which would result in the total Share capital of Argonaut upon the completion of the Entitlement Offer increasing to up to approximately 146,323,040 Shares (excluding those Shares to be issued to the minority holders in Orpheus Minerals Limited, who pursuant to a resolution passed at the Company's General Meeting held on Wednesday, 20 September 2023 (**2023 EGM**) are eligible to receive up to 7,400,000 Shares in exchange for their Orpheus shares).

New Shares issued under the Entitlement Offer will rank equally with Shares already on issue in all respects.

Eligible Shareholders will be provided with access to the Offer Booklet, including a personalised entitlement and acceptance form, on Thursday, 5 October 2023. The Offer Booklet will provide the details of how to participate in the Entitlement Offer and further information regarding the Entitlement Offer, include a description of the key risks of investing in New Shares.

Key Dates for the Entitlement Offer

Key dates of the Entitlement Offer are provided in the indicative timetable below.

Event	Date
Announcement Announcement of Entitlement Offer and lodgement of Cleansing Notice and Appendix 3B	Monday, 25 September 2023
Record Date Record Date (to identify shareholders entitled to participate in the Entitlement Offer)	Monday, 2 October 2023
Offer Booklet and Entitlement and Acceptance Form lodged with ASX and provided to shareholders	Thursday, 5 October 2023

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Event	Date
Offer Booklet lodged with ASX Offer Booklet and Entitlement and Acceptance Forms made available to Eligible Shareholders	
Opening Date Entitlement Offer opens	Thursday, 5 October 2023
Closing Date Entitlement Offer closes	5pm (AEST) Tuesday, 17 October 2023
Announcement of results and Settlement Date Announcement of the results of the Entitlement Offer Settlement of the Entitlement Offer	Monday, 23 October 2023
Entitlement Offer – Issue New Shares issued under the Entitlement Offer	Tuesday, 24 October 2023

Note: This timetable is indicative only and subject to change. The Company (in agreement with the Underwriter) reserves the right to amend the timetable for the Entitlement Offer without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date of the Entitlement Offer at any time, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of the New Shares under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

Orpheus Minerals Limited

At the 2023 EGM, Argonaut shareholders approved the Company's proposal to acquire the interests of the minority shareholders in Orpheus Minerals Limited (**Orpheus Minority Investors**) through an exchange of shares on a one-for-one basis (i.e. one post-consolidation Share in the Company to be issued in exchange for the transfer to the Company of one share in Orpheus Minerals Limited (**Orpheus**)).

As at the date of this announcement, Argonaut has received commitments from Orpheus Minority Investors to sell 5,600,000 Orpheus shares to Argonaut, in exchange for the issue of 5,600,000 Argonaut shares to the Orpheus Minority Investors. The transfer of Orpheus Shares and issue of Argonaut Shares is expected to occur shortly after the Record Date. On completion of the acquisition of the Orpheus shares, Argonaut will hold 20,600,100 Orpheus shares, representing 91.96% of the total issued capital of Orpheus.

Argonaut will seek to enter into agreements with the remaining Orpheus Minority Investors as expeditiously as possible.

Further Information

Nothing contained in this announcement constitutes investment, legal tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

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Refer to the other announcements and documents released to the ASX by Argonaut, including those accompanying this announcement for further information (including details on how to accept the Entitlement Offer and the key risks associated with an investment in the Company).

Authorised by

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

For further enquiries or further information, please contact the Company Secretary:
richard@argonautresources.com.

ENDS

Refer Appendix A on following page.

Appendix A – Summary of Underwriting Agreement

Taylor Collison Limited (**Underwriter**) has agreed to manage and fully underwrite the Entitlement Offer on the terms set out in an underwriting agreement dated 23 September 2023 between the Underwriter and the Company (**Underwriting Agreement**).

As is customary with these types of arrangements:

- (a) the obligations of the Underwriter to underwrite the Entitlement Offer pursuant to the Underwriting Agreement are conditional on the satisfaction or waiver of certain conditions precedent;
- (b) the Company has agreed, subject to certain carve-outs, to indemnify the Underwriter, its affiliates and related bodies corporate, and each of their respective directors, officers, partners and employees against any losses they may suffer or incur in connection with the Entitlement Offer;
- (c) the Company and the Underwriter have given certain representations, warranties and undertakings in connection with the Entitlement Offer;
- (d) the Underwriter will receive, in aggregate:
 - (i) an underwriting and management fee equal to 6.0% of the gross Entitlement Offer proceeds; and
 - (ii) up to 4,611,691 unlisted options, exercisable at a price of \$0.075 each and expiring on the three year anniversary of their date of issue, as approved by Shareholders at the 2023 EGM;
- (e) the Underwriter is entitled to reimbursement of certain costs and expenses.

Termination events

The obligations of the Underwriter to underwrite the Entitlement Offer are also subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement by notice to the Company, at any time before the Settlement Date, where:

- (a) the Company ceases to be admitted to the official list of ASX or the Company's Shares are suspended from trading on, or cease to be quoted on ASX or it is announced by ASX or the Company that such an event will occur;
- (b) the Company or a material subsidiary is insolvent or to the best of the Company's knowledge and belief there is an act or omission, or a circumstance arises, which is likely to result in the Company or a material subsidiary becoming insolvent;
- (c) the Company withdraws all or any part of the Entitlement Offer;
- (d) an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency, makes it illegal for the Underwriter to satisfy a material obligation of the Underwriting Agreement;
- (e) the Company is unable to issue or prevented from issuing any New Shares by virtue of the ASX Listing Rules, applicable laws, a governmental agency or an order of a court of competent jurisdiction;
- (f) any regulatory body commences any public action against the Company, or any director or the chief executive officer or chief financial officer of the Company, or publicly announces that it intends to take any such action;
- (g) the Company varies its capital structure or a term of its Constitution before completion of the Entitlement Offer without the prior written consent of the Underwriter (otherwise than permitted under the Underwriting Agreement);
- (h) the S&P/ASX 300 Resources Index (ASX.XKR) falls to a level which is 10% or more below the level of that index on the close of trading on the business day before the date of the Underwriting Agreement and closes at or below that level on:
 - any two consecutive business days after the date of the Underwriting Agreement and on or before the business day immediately prior to the Settlement Date; or
 - at the close of trading on the business day immediately prior to the Settlement Date
- (i) the Sprott Physical Uranium Trust share price (ticker U.UN) falls to a level which is 15% or more below the level of that share price on the close of trading on the Business Day before the date of the Underwriting Agreement and closes at or below that level on:
 - any two consecutive Business Days after the date of this agreement and on or before the Business Day immediately prior to the Settlement Date; or

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- at the close of trading on the Business Day immediately prior to the Settlement Date;
- (j) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer or any of the Entitlement Offer materials or ASIC commences, or gives notice of an intention to hold, any investigation or hearing under Part 3 of the ASIC Act in relation to the Entitlement Offer or any of the Entitlement Offer materials or prosecutes or commences proceedings against, or gives notice of an intention to prosecute or commence proceedings against, the Company;
- (k) there is an application to a governmental agency for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Entitlement Offer (or any part of it), except in circumstances where the existence of the application has not become public and has been withdrawn, discontinued or terminated by the date that is the earlier of:
- the business day immediately preceding the Settlement Date; or
 - the date that is 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- (l) ASIC makes a determination under subsection 708AA(3) of the Corporations Act;
- (m) a Cleansing Notice issued in connection with the Entitlement Offer is defective;
- (n) any material licence, lease, permit, concession, tenement, authorisation or concession of the Company is, or is likely to be, invalid, revoked, unenforceable or breached in a material respect;
- (o) the Company commits a breach of the Corporations Act, ASX Listing Rules, the Constitution, or other applicable laws or its Constitution;
- (p) a Certificate required to be furnished by the Company under the Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission);
- (q) unconditional approval by ASX for official quotation of the New Shares is refused or is not granted by the time required to issue the relevant New Shares in accordance with the Timetable or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Entitlement Offer) or withdrawn;
- (r) any event specified in the Timetable is delayed without the prior written consent of the Underwriter;
- (s) the Company fails to perform any of its obligations under the Underwriting Agreement.
- (t) any due diligence documents required to be provided under the Underwriting Agreement are withdrawn or varied without the prior written consent of the Underwriter.
- (u) any due diligence documents required to be provided under the Underwriting Agreement or the information provided by or on behalf of the Company to the Underwriter in relation to due diligence, the Entitlement Offer materials or the Entitlement Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (v) a representation or warranty made or given by the Company under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (w) legal proceedings or any enquiry or public action by any regulatory body are commenced against the Company, a Related Body Corporate or Director;
- (x) the Company or any of its directors or officers engages in misleading or deceptive conduct or activity in connection with the Entitlement Offer;
- (y) a new circumstance arises which is a matter adverse to investors in New Shares and which would have been required by the Corporations Act to be included in the Cleansing Notice had the new circumstance arisen before the Cleansing Notice was given to ASX;
- (z) an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or its Related Bodies Corporate;
- (aa) any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in the Entitlement Offer materials or public information is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, is unlikely to be met in the projected timeframe;

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- (bb) the Entitlement Offer materials:
 - contain a statement which is or becomes false, misleading or deceptive or likely to mislead or deceive; or
 - do not contain all information required to comply with all applicable laws;
- (cc) the Company issues, varies or withdraws any Entitlement Offer materials without the prior approval of the Underwriter (such approval not to be unreasonably withheld);
- (dd) a new law or regulation will be introduced or government policy adopted (as the case may be) (other than a law or policy that has been announced before the date of the Underwriting Agreement), any of which does or is likely to prohibit or regulate the Entitlement Offer or adversely affects the Company;
- (ee) any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union or the People's Republic of China (including Hong Kong) (the **Specified Jurisdictions**) is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange, NASDAQ, the SGX or the Hong Kong Stock Exchange, is suspended or limited in a material respect; or
 - the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in a Specified Jurisdiction or any change or development involving such a prospective adverse change in any of those conditions or markets;
- (ff) major hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the Specified Jurisdictions or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world;
- (gg) there is a material escalation of hostilities in Ukraine involving biological or nuclear weapons or a nuclear incident or the direct involvement of a NATO member state; or
- (hh) an event specified in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act (as if references to 'the target' were replaced by references to 'the Company') occurs in relation to the Company, otherwise than permitted under the Underwriting Agreement.

The events set out in clauses (s) to (hh) above (inclusive) do not entitle the Underwriter to exercise its termination right unless it believes, on reasonable grounds, that the event:

- (a) has had, or is likely to have, a material adverse effect on:
 - the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of the Company or its Related Bodies Corporate;
 - the success or outcome of the Entitlement Offer;
 - the willingness of investors to subscribe for New Shares;
 - the likely price at which New Shares will trade on ASX; or
 - the ability of the Underwriter to market, promote or effect settlement of, the Entitlement Offer; or
- (b) has given rise to or could reasonably be expected to give rise to a liability for the Underwriter under the Corporations Act or any applicable laws.