

Completion of Private Placement to Raise \$2.7 million

23 September 2020

Argonaut Resources NL (Argonaut or the Company) (ASX: ARE) is pleased to announce that it has successfully completed a Share Placement (“Placement”) of approximately 491.6 million fully paid ordinary shares to professional sophisticated and institutional investors to raise \$2.7 million. The Placement was very well supported and bids greatly exceeded the target raising of \$2.7 million.

The Placement of ordinary shares (New Shares) will be issued using Argonaut’s 15% placement capacity pursuant to ASX Listing Rules 7.1 and further 10% placement capacity pursuant to ASX Listing Rule 7.1A, as approved by Argonaut’s shareholders at the Company’s General Meeting on 20 November 2019.

295.0 million new shares will be issued under the LR7.1 placement capacity and the remaining 196.6 million new shares will be issued under the LR7.1A placement capacity. New shares will be issued at a fixed price of \$0.0055 (Issue Price), representing a discount of approximately:

- 21% to the latest trading price of \$0.007 on 18 September 2020
- 17% to the 5 day volume weighted average price (VWAP) of \$0.0067; and
- 24% to the 15 day VWAP of \$0.0073.

The Company confirms that the Issue Price satisfies the pricing requirements in Listing Rule 7.1A.3.

The indicative timetable* for the Placement is set out below.

Trading Halt	Monday, 21 Sept 2020
Announcement of Completion of Equity Raising	Pre Market Open, Wednesday, 23 Sept 2020
Trading Halt Lifted, Trading Recommences	Pre Market Open, Wednesday, 23 Sept 2020
Settlement of New Shares Issued Under the Placement	Wednesday, 30 Sept 2020
Allotment and Ordinary Trading of New Shares Issued Under the Placement	Friday, 2 Oct 2020

Share Purchase Plan

Additionally, the Company’s existing, eligible shareholders will have the opportunity to participate in a Share Purchase Plan at the same price per share of \$0.0055 (SPP).

* All dates and times are indicative and subject to change without notice; Australian Eastern Standard Time.

The Company intends to raise approximately \$1,200,000 under the SPP which in combination with the Placement will raise circa \$3,900,000. The SPP will not be underwritten.

The Company reserves the right to accept oversubscriptions or to close the SPP early and scale back applications in its discretion. When determining the amount (if any) by which to scale back an application, the Company will take into account a number of factors, including the size of an applicant's shareholding, the extent to which eligible shareholders have sold or bought additional shares after the record date and the date an application was made.

The SPP will open on 25 September 2020 and is scheduled to close on 16 October 2020.

Key information in respect of the SPP is set out in SPP documents which will be released to the ASX today.

Comments from Lindsay Owler:

The Argonaut board appreciate the support by the strong demand shown by the market for placement stock and it is encouraged by the market's enthusiasm for the Company's planned drilling at the Murdie copper project in South Australia. This Placement and SPP come as we see the copper price strengthen on the back of strong Chinese demand and weaker South American supply.

The funds raised by the Placement and the Share Purchase Plan will allow Argonaut to execute planned drilling at its 100% held Murdie copper project in South Australia. The Murdie project is located nearby to BHP's spectacular Oak Dam discovery and Oz Mineral's newly commissioned Carrapateena copper mine. Argonaut plans to drill five deep holes testing large, prospective geophysical targets in the style of Oak Dam and Carrapateena.

Argonaut will also restart scoping metallurgical testwork on its 90% held Nyungu copper-cobalt deposit at Lumwana West in North-western Zambia. Flotation testwork completed earlier in the year produced saleable copper concentrate grading 25.6% copper at 87% recovery in the laboratory. Work planned for 2020 includes leach testwork, oxidation testwork and solvent extraction/electro-winning tests.

The Argonaut board sincerely thanks those who have contributed to this Placement and it encourages shareholders to read and consider the SPP documentation. The Argonaut board looks forward to delivering exploration and feasibility results that will drive the Company's share price during this exciting commodities upswing.

This announcement was authorised for release by

Lindsay Owler
Director and CEO
ARGONAUT RESOURCES NL