Argonaut
RESOURCES NL
ABN 97 008 084 848

ANNUAL REPORT
2015

Corporate directory

Directors
P J D Elliott
L J Owler
A W Bursill
M R Richmond

Company Secretary
A W Bursill

Registered office
Suite 4 Level 9
341 George Street
Sydney NSW 2000

Share register
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Auditor
Ernst & Young
680 George Street
Sydney NSW 2000

Solicitors
Addisons Lawyers
Level 12
60 Carrington Street
Sydney NSW 2000

Bankers
National Australia Bank
Level 36
100 Miller Street
North Sydney 2060

Stock exchange listing
Argonaut Resources NL shares are listed on the Australian Securities Exchange (ASX code: ARE)

Website
www.argonautresources.com

Sections of information contained in this report that relate to Exploration Results were compiled or supervised by Mr Lindsay Owler BSc, MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Argonaut Resources NL. Mr Owler holds shares and options in Argonaut Resources NL, as described on page 14 of the Company's 2015 Annual Report. Mr Owler has sufficient experience which is relevant to the style of mineral deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Owler consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information regarding previous drilling at Netherleigh Park is extracted from reports entitled 'Significant copper-silver intersections from drilling programme at EL3037, Alford, South Australia' and 'Drilling results for Alford reveal board copper zones' created on 2 May 2003 and 15 March 2011 respectively, and is available to view on www.asx.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Review of operations

ZAMBIA

Lumwana West

(Argonaut 90%)

Highlights

- A 36 hole diamond core drilling program for a total of 8,129m was completed in the period over nine prioritised copper targets plus the Nyungu deposit.
- Over 12,000 soil samples were collected and analysed.
- The program substantially completed the first phase of an option agreement with Antofagasta.

Argonaut, via its 90% held subsidiary, Mwombezhi Resources Ltd, has been successful in generating broad copper intercepts at the Nyungu deposit within the Lumwana West project and has defined several large, prospective regional targets.

During the period, phase one of an option agreement (the *Overlying Agreement*) with a subsidiary of Antofagasta plc (Antofagasta) was substantially completed. Under the terms of the Overlying Agreement, a US$3.9M exploration spend in the first period earns Antofagasta a 25% interest in the project.

Project setting

The Lumwana West project is located on the western lobe of the Mwombezhi Dome in the Central African Copperbelt. The Mwombezhi Dome is one of several domes in an area of the Copperbelt known as the Domes Region.

The Domes Region is host to the new generation of Copperbelt mines, with copper production in the area set to reach 870,000 tonnes per annum. Nearby mines include Barrick Gold Corporation's Lumwana Mine on the eastern lobe of the Mwombezhi Dome, First Quantum Minerals Ltd's Kansanshi mine and the recently commissioned Sentinel Mine, also owned and operated by First Quantum.

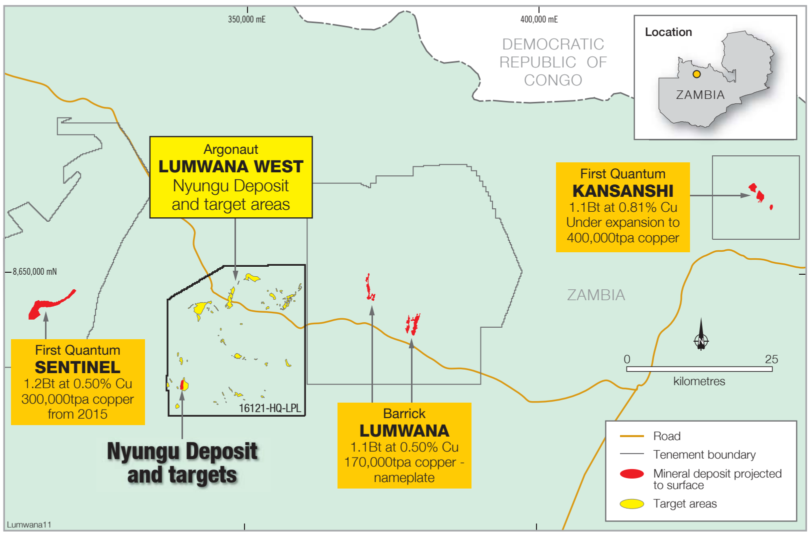

Figure 1 *The Domes region is host to the new generation of Copperbelt mines*

Overlying agreement

In April 2014, Argonaut announced the execution of the Overlying Agreement with Antofagasta for the exploration and development of the Lumwana West project in Zambia.

The Overlying Agreement covers all phases of the project's development from regional exploration to the completion of a feasibility study and, in the event the project is feasible and Argonaut elects not to fund its pro-rata share of the project, Argonaut will either be carried into production or bought-out at the value of its interest.

Principal commercial terms

The Overlying Agreement between Antofagasta and Argonaut Resources NL is in five phases. The principal commercial terms are described below.

Phase I involves the input by Antofagasta of **US$5M** within the first period in exchange for a 25% interest in the project. The funding is in two parts: US$3.9M for exploration works nearing completion plus a US$1.1M placement in Argonaut completed by the companies in May 2014. Placement funds were used by Argonaut to secure an additional 39% interest in the project via the underlying Lumwana West Joint Venture. This increased Argonaut's interest in the project to 90%.

Phase II involves **expenditure of US$15M by Antofagasta within four years** of the completion of Phase I at a minimum expenditure rate of US$2.5M per year. Antofagasta can earn an effective 51% interest in the project by completing Phase II.

Phase III involves the **completion of a feasibility study to international standards**. Antofagasta may conduct additional work necessary to commence the feasibility study, such as a preliminary feasibility study, prior to electing to commence the definitive study. Antofagasta will have up to two years to complete additional work and four years to complete the feasibility study. Antofagasta can earn an effective 70% interest in the project by completing the feasibility study.

Phase IV is the period following the delivery of the feasibility study, but prior to a development decision. Argonaut may elect not to contribute during this period provided it reimburses Antofagasta from future dividends.

Phase V is the period after a development decision when, if Argonaut decides not to fund its pro-rata share of the project, Antofagasta may elect to **either carry Argonaut into production**, with Argonaut's development costs being funded by 60% of future dividends, **or buy-out Argonaut's interest** for its pro-rata share of the project's net present value[1].

Antofagasta may elect to stop contributing at certain stages in which case various provisions including standard dilution and drag-along/tag-along rights will apply.

Argonaut will be the operator under the Agreement during Phase I and part of Phase II. Antofagasta may elect to become operator at any stage during Phase II.

1 *Using a discount rate of 12%.*

The underlying agreement

The Lumwana West Joint Venture, executed in July 2011 (the *Underlying Agreement*) involves large scale prospecting licence 16121-HQ-LPL. Under the terms of the Underlying Agreement, Argonaut's 100% held subsidiary, Lumwana West Resources Ltd, earned a 90% shareholding in Mwombezhi Resources Ltd, the Zambian registered company which holds 16121-HQ-LPL.

Exploration

The exploration program executed during the period was jointly planned by Argonaut and Antofagasta. It aimed to considerably increase the extent of known copper mineralisation at Lumwana West. The program focused on testing major target areas with surface geochemical anomalism and favourable structural geology settings.

The first phase exploration program was completed in July 2015 and included 36 drill holes, for a total of 8,129m of diamond core, plus the collection and analysis of approximately 12,947 soil samples.

Of the total drill meterage, 6,123m were drilled during the 2014 field season (May to November 2014) with holes targeting the following areas: West Mwombezhi, Kavipopo, ZNS, LMW, Mufuka, and Kabikupa prospects plus the Nyungu deposit.

An additional 2,006m were drilled between May and July 2015 targeting geochemical anomalies and structural targets at Kabikupa, Kamafamba, Mufuka, Sharamba and Luamvunda prospects.

Kabikupa prospect

The Kabikupa prospect was defined in 2014 by soil sampling and drilling. The soil geochemistry anomaly strikes south-east and measures approximately 1,000m by 500m. The peak soil sample is 0.13% copper, which is the highest copper-in-soil value returned within the licence area to date.

Four holes for 903m were completed at the Kabikupa prospect. Significant intercepts from drilling include:

- KBDD001: **17.4m at 1.18% copper** from 102.6m within a broader intercept of 39m at 0.61% copper from 81m[2].
- KBDD002: 17m at 0.22% copper from 230m and 10m at 0.27% copper from 266m.
- KBDD003: 25m at 0.22% copper from 12m and 10.7m at 0.29% copper from 52m.
- KBDD004: **20.4m at 0.67% copper** from 151m including 7m at 0.92% copper from 154m.

Drilling completed at Kabikupa prospect between May and July 2015 sought to extend the mineralised strike extent to 1,800m. Significant copper mineralisation was not intercepted by this drilling outside of the main surface anomaly, meaning subsurface copper mineralisation is likely confined to a strike length of approximately 1,000m.

Kamafamba prospect

The Kamafamba target sits near the southern margin of a large granite body. The prospect is defined by a 1,100m soil geochemistry anomaly. Structural interpretation indicates the geochemical anomaly is coincident with a thrust system related to the granite margin. This geological relationship enhances the prospectivity of the target.

Three drill holes for 409m were drilled at the Kamafamba prospect. Highlights from this drilling included:

- KMDD001: 15.85m at 0.30% copper from 41m
- KMDD003: 17.6m at 0.40% copper from 134.5m, including 5.6m at 0.67% copper from 146.5m

2 *By weighted average. Cut-off grade not applied.*

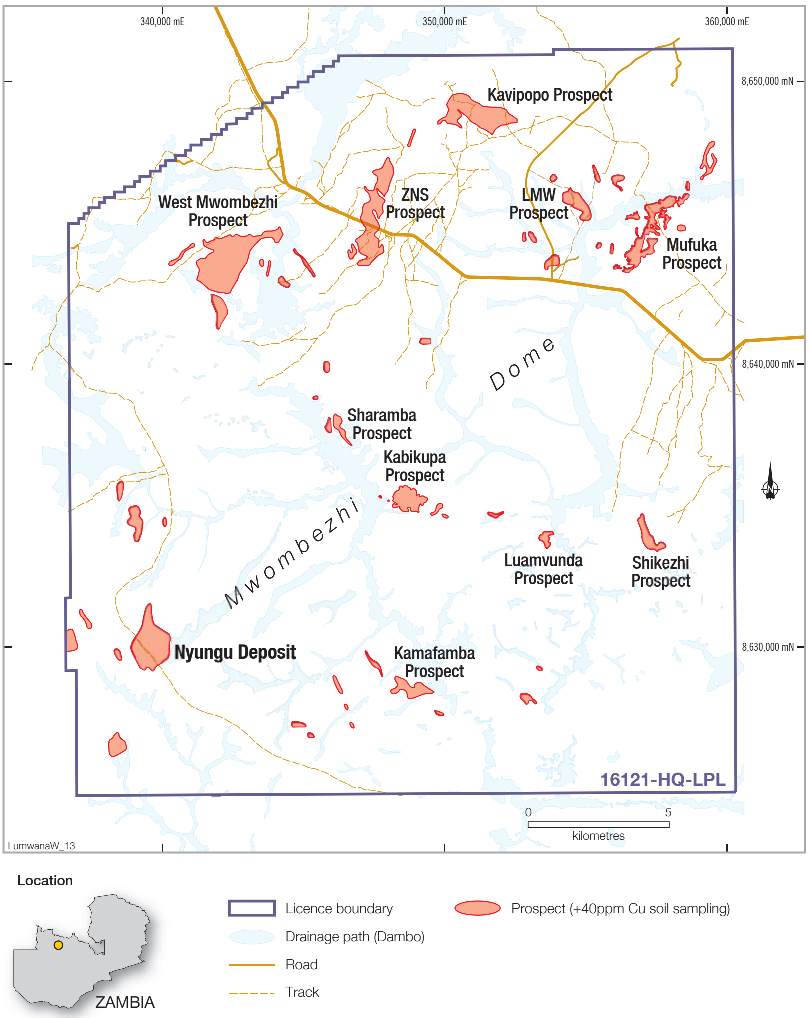

Figure 2 *Lumwana West large-scale prospecting licence and prospect locations.*

AUSTRALIA

Alford, South Australia
(Argonaut 100%)

The Alford Project on South Australia's Yorke Peninsula lies 20km north-east of Wallaroo within the geological province known as the Olympic Domain. The tenement is prospective for iron oxide copper-gold mineralisation as found at Prominent Hill, Olympic Dam and Hillside.

Mineralisation at the Netherleigh Park prospect is interpreted to be comparable to skarn-style mineralisation but is noted to contain IOCG mineral assemblages.

Exploration program

During the period, Argonaut's partner, Sandfire Resources NL, completed a two-hole, 750m diamond drilling program at the Netherleigh Park area on the Alford licence.

Sandfire geophysically modelled the magnetic and gravity from the Netherleigh Park area and sited the drill holes on the basis of these models and existing drill data. Drill hole ALDDH027 targeted a down-dip extension of mineralisation intercepted by Argonaut in drill hole ALDDH04.

Assays of samples for the drilling completed in April 2015 reported the intercepts shown in Table 1.

Sampling was hampered by significant core loss in mineralised zones. Core loss occurs when drilling through zones of incompetent rock. The drilling pulverises weak rock leaving gaps in the core sample. It is not clear whether lost core contained elevated or depleted levels of copper and silver mineralisation.

Previous exploration results

Argonaut previously reported the following drill intercepts from Netherleigh Park:

- ALDDH01: 76m at 0.95% copper from 138m;
- ALDDH04: 20m at 0.75% copper from 131m;
- ALDDH09: 122m at 0.63% copper from 95m including 14m at 2.26% from 111m; and
- ALDDH10: 98m at 0.64% copper from 138m.

These previous drill intercepts relate to both copper oxide and copper sulphide mineralisation and were reported under the JORC Code 2004.

Alford Farm-in Joint Venture

On 9 November 2012, Argonaut announced it had signed a farm-in joint venture letter agreement with Sandfire Resources NL (ASX: SFR) for the exploration of the Company's 100% owned exploration licence 5212 (previously EL 3969), Alford, on the Yorke Peninsula in South Australia.

Under the terms of the letter agreement, Sandfire may earn a 49% interest in the Alford tenement by sole funding $4,000,000 of exploration within three years (the *First Earn-in*).

In the event conditions of the First Earn-in are satisfied, Sandfire has the right to either form a joint venture with Argonaut's subsidiary, Kelaray Pty Ltd, to jointly explore the tenement or to proceed to earn an additional 26% interest in the project by spending a further $4,000,000 on exploration within an additional three years (the *Second Earn-in*).

Table 1 Alford significant drill intercepts.

Hole	Width downhole (m)	Depth from	Cu (%)	Ag (ppm)	Core recovery (%)	Comment
ALDDH026	5.0	131	0.11	-	99	
ALDDH027	10.04	180	0.32	6.69	93	Core loss of 0.7 m between 187 and 189m
ALDDH027	10.37	216.9	0.28	66.64	70	Core loss of 0.4m between 216.9 and 217.6m and 2.3m between 222.3 and 225.7m
ALDDH027	12.3	258.3	0.09	6.67	93	Core loss of 1m between 259.5 and 261.6m
ALDDH027	3.9	287.3	1.19	6.7	87	Core loss of 0.6m between 287.3 and 289.2m

Torrens, South Australia
(Argonaut 30%)

The Torrens Joint Venture

The Torrens Joint Venture is between Argonaut Resources NL and Straits Resources Limited (ASX: SRQ) and relates to the Torrens Project, EL 5614 (previously EL 4296).

The Torrens Joint Venture is exploring for iron oxide-copper-gold systems in the highly prospective Stuart Shelf region of South Australia. The Torrens Project is located near the eastern margin of South Australia's Gawler Craton (Stuart Shelf), within 50 kilometres of Oz Minerals' Carrapateena copper-gold deposit and 75 kilometres from BHP Billiton's Olympic Dam mine.

On 27 August 2014, the parties to the Torrens Joint Venture resolved to appoint Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, as manager of the Torrens Joint Venture. In its role as manager, Kelaray is working to secure access to the tenement for the purpose of a planned seven-hole drilling program targeting areas which have been geophysically modelled as having the physical properties of large iron oxide-copper-gold deposits.

Litigation

The Company previously announced that the Full Court of the Supreme Court of South Australia had set aside the decision of 14 January 2011 by the Environment, Resource and Development Court of South Australia (the ERD Court) that Mining Operations (exploration) may not be conducted on EL 5614.

A date for the ERD Court retrial has not been set. It is important to note that in overturning the original decision, the Full Court provided considerable guidance for the purpose of an ERD Court retrial including disallowing the original ERD Court Judge from re-hearing the matter.

In the meantime, the Federal Court of Australia commenced an overlap proceeding over the area of Lake Torrens, including the area of EL 5614. This proceeding aims firstly to determine which of three Aboriginal groups with claimed interests over the lake may seek rights to the area and secondly, determine at trial which claimed rights, if any, can be granted.

During the period, the Torrens Joint Venture was an active participant in the overlap proceeding and engaged an expert anthropologist to provide opinion on anthropological matters that relate to Lake Torrens and tests under the Commonwealth Native Title Act.

The Torrens Joint Venture partners remain open to a negotiated settlement with regard to land access for the purposes of proposed drilling activities on Andamooka Island and Lake Torrens.

Kroombit
(Argonaut 100%)

In the period, applications were lodged to secure a Mineral Development Licence over the area of the Kroombit deposit. Argonaut amended the Environmental Authority for ML 5631 to include the area of the Mineral Development Licence application. The work program submitted as part of the application for the Mineral Development Licence has also been approved.

No field based work was undertaken.

Aroona
(Argonaut 100%)

EL 4358 and EL 5336, Aroona, are subject to a joint venture agreement with Perilya Limited. No field based work was undertaken at Aroona during the period.

Outlook

- Funding is in place for all of Argonaut's major projects.
- A comprehensive program of works was recently completed at the Company's flagship Lumwana West project in Zambia.
- Current low asset valuations is providing a unique opportunity to secure additional high quality exploration projects.

Directors' report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Argonaut Resources NL (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were directors of Argonaut Resources NL during the whole of the financial year and up to the date of this report, unless otherwise stated:

P J D Elliott

L J Owler

A W Bursill

M R Richmond

Principal activities

Argonaut Resources NL is a mineral exploration and development company with operations in Zambia, Australia and Laos. The consolidated entity's prime commodity focus is copper, and to a lesser extent gold. In addition, the consolidated entity holds a 100% interest in a zinc-copper Resource in Queensland, Australia.

During the year, the principal activities of the consolidated entity were expanding on and defining the extent of copper-cobalt mineralisation at the Nyungu Deposit on the Group's Lumwana West project in Zambia.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the group after providing for income tax and non-controlling interest amounted to $6,750,798 (30 June 2014: $2,194,508).

A review of operations report is presented on pages 3–7.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the consolidated entity to the extent they would not result in unreasonable prejudice to the consolidated entity are included in the review of operations report.

Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

P J D Elliott
NON-EXECUTIVE DIRECTOR AND CHAIRMAN

B.Com, MBA

Experience and expertise

Mr Elliott has been an Independent non-executive chairman of Argonaut Resources NL for over 10 years. Mr Elliott is an investment banker who has over 40 years experience in financial management and resource investment and development.

Other current directorships

Cap-XX Limited, Global Geoscience Limited and Variscan Mines Limited

Former directorships (last 3 years)

Cuesta Coal Limited

Special responsibilities

Member of remuneration committee

Interests in shares

192,001

Interests in options

1,510,666

L J Owler
EXPLORATION DIRECTOR

B.Sc, MAusIMM

Experience and expertise

Exploration Director of Argonaut Resources NL since 27 March 2005. Mr Owler is a geologist and geophysicist with over 20 years' experience in mineral exploration and development. Mr Owler holds a Bachelor of Science and is Member of the Australasian Institute of Mining and Metallurgy.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

None

Interests in shares

1,200,000

Interests in options

2,566,666

A W Bursill
DIRECTOR, COMPANY SECRETARY AND CFO

B.Agr. Ec, CA

Experience and expertise

Mr Bursill is a chartered accountant with more than 15 years' experience as a director and company secretary of numerous publicly listed entities. In addition to his appointment at Argonaut, Mr Bursill is currently the company secretary of Aguia Resources Limited, Austral Gold Limited, MOKO Social Limited, Eagle Nickel Limited, Elk Petroleum Limited, and several other unlisted public and private companies.

Other current directorships

None

Former directorships (last 3 years)

Reproductive Health Science Limited (formerly AO Energy Limited / Australia Oriental Minerals NL)

Special responsibilities

Member of remuneration committee

Interests in shares

3,049,438

Interests in options

1,636,080

M R Richmond

NON-EXECUTIVE DIRECTOR

B.Sc Hons (Metallurgy) and B.Comm. Merit (Econs) New South Wales

Experience and expertise

Professor Richmond is a qualified metallurgist and economist with extensive senior executive and board experience in the resource and technology industries. He is a fellow of the Australian Academy of Technological Sciences & Engineering and the Australian Institute of Mining and Metallurgy. Professor Richmond spent 30 years with the Rio Tinto and CRA Groups including the position of managing director of research and development and vice president strategy and acquisitions. Immediately prior to his retirement he held the position of managing director of development at Hamersley Iron Pty Limited. Professor Richmond served as a visiting professor at the University of Western Australia until January 2012, teaching in the MBA programme.

Other current directorships

Strike Resources Ltd

Former directorships (last 3 years)

Water Resources Group Ltd, Cuervo Resources Inc (listed on CSE) and Advanced Braking Technology Ltd

Special responsibilities

Member of remuneration committee

Interests in shares

None

Interests in options

1,500,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

A W Bursill

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board	
	Attended	**Held**
P J D Elliott	6	6
L J Owler	6	6
A W Bursill	6	6
M R Richmond	5	6

Held: represents the number of meetings held during the time the director held office.

There were no meetings of the remuneration committee during the year although the members of the remuneration committee do have discussions on remuneration matters. Any matters are resolved by way of circular resolution.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency

The Remuneration Committee, consisting of the non-executive directors, advises the board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors and other senior executives.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

The current non-executive directors' fees are determined within an aggregate directors' fee limit. The maximum current aggregate non-executive directors' fee limit stands at $350,000.

Executive remuneration

The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example accommodation, car allowance and health insurance benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

Consolidated entity performance and link to remuneration

Remuneration can be directly linked to performance of the consolidated entity. Options are issued to directors to incentivise their future performance. Refer to the remuneration report for details of the last five years earnings and total shareholders return. Refer to section on additional information below.

Voting and comments made at the company's 30 June 2014 Annual General Meeting ('AGM')

The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the group are set out in the following tables.

The key management personnel of the group consisted of the following directors of Argonaut Resources NL:

- P J D Elliott
- L J Owler
- A W Bursill
- M R Richmond

2015	Short-term benefits			Post-employment payments	Long-term benefits	Share-based payments	
Name	Cash salary and fees	Bonus	Non-monetary	Superannuation	Long service leave	Equity-settled	Total
	$	$	$	$	$	$	$
Non-Executive Directors:							
P J D Elliott	80,000	-	-	-	-	-	80,000
A W Bursill	40,000	-	-	-	-	-	40,000
M R Richmond	80,000	-	-	-	-	-	80,000
Executive Directors:							
L J Owler	243,750	-	-	22,922	-	-	266,672
	460,000	-	-	10,109	-	-	466,672

As part of the company's cost cutting initiatives undertaken during the year, the Board agreed to reduce non-executive director fees of P Elliott and M Richmond from $85,000 p.a. to $65,000 p.a and L Owler agreed to a 10% salary reduction.

A Bursill is also the company secretary of the Company and a principal of Franks & Associates Pty Ltd who provides accounting and company secretary services to the Company. The contract between the Company and Franks and Associates Pty Ltd is based on normal commercial terms and fees were also reviewed during the year ended 30 June 2015. Franks and Associates Pty Ltd were paid a total of $155,148 (2014: $184,681).

2014	Short-term benefits			Post-employment payments	Long-term benefits	Share-based payments	
Name	Cash salary and fees	Bonus	Non-monetary	Superannuation	Long service leave	Equity-settled	Total
	$	$	$	$	$	$	$
Non-Executive Directors:							
P J D Elliott	85,000	-	-	-	-	-	85,000
A W Bursill	40,000	-	-	-	-	-	40,000
M R Richmond	85,000	-	-	-	-	-	85,000
Executive Directors:							
L J Owler	250,000	-	-	23,125	4,166	-	277,291
	460,000	-	-	23,125	4,166	-	487,291

The proportion of remuneration linked to performance and the fixed proportion are as follows. Fixed remuneration is the actual percentages:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2015	2014	2015	2014	2015	2014
Non-Executive Directors:						
P J D Elliott	100%	100%	- %	- %	-%	-%
A W Bursill	100%	100%	- %	- %	-%	-%
M R Richmond	100%	100%	- %	- %	-%	-%
Executive Directors:						
L J Owler	100%	100%	- %	- %	-%	-%

Service agreements

Remuneration and other terms of employment for the exploration director, L Owler, is yet to formalised in a service agreement. As mentioned above, L Owler accepted a 10% salary cut to $225,000 p.a. plus superannuation.

The other directors are not employed under a contract. Under current arrangements, there is no termination periods with respect to the other directors.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
06/12/2012	06/12/2012	31/12/2015	$0.100	$0.031

All options granted carry no dividend or voting rights and are fully vested and exercisable. No options lapsed during the year.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Additional information

The earnings of the group for the five years to 30 June 2015 are summarised below:

	2011 $	2012 $	2013 $	2014 $	2015 $
Profit/(loss) after income tax	(3,792,133)	1,808,140	(11,401,172)	(7,779,724)	(6,586,287)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2011	2012	2013	2014	2015
Share price at financial year end ($A)	0.070	0.050	0.030	0.020	0.006
Basic earnings per share (cents per share)	(1.750)	0.710	(4.330)	(0.725)	(1.484)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/other	Balance at the end of the year
Ordinary shares		-		-	
P J D Elliott	192,0001	-	-	-	192,001
L J Owler	1,200,000	-	-	-	1,200,000
A W Bursill	3,049,438	-	-	-	3,049,438
	4,441,439	-	-	-	4,441,439

M R Richmond does not hold any interest in shares of the company.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
Options over ordinary shares					
P J D Elliott	1,510,666	-	-	-	1,510,666
L J Owler	2,566,666	-	-	-	2,566,666
A W Bursill	1,636,080	-	-	-	1,636,080
M R Richmond	1,500,000	-	-	-	1,500,000
	7,213,412	-	-	-	7,213,412

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

Shares under option

Unissued ordinary shares of Argonaut Resources NL under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
06/12/2012*	31/12/2015	$0.100	7,000,000
11/12/2012**	11/12/2015	$0.150	10,000,000
14/03/2014***	31/03/2017	$0.060	17,179,779
17/04/2014***	31/03/2017	$0.060	5,726,593
05/05/2014***	31/03/2017	$0.060	14,181,918
07/07/2014***	31/03/2017	$0.060	916,667
			55,004,957

* *Unlisted options granted to directors under share options plan*

** *Unlisted options granted as part of purchase consideration*

*** *Listed options granted under rights issued*

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Argonaut Resources NL issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of premium.

Indemnity and insurance of auditor

To the extent permitted by law, the company has agreed to indemnify the auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Ernst & Young

There are no officers of the company who are former partners of Ernst & Young.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

P J D Elliott
CHAIRMAN

18 September 2015

Auditor's Independence Declaration

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Argonaut Resources N.L.

In relation to our review of the financial report of Argonaut Resources N.L. for the year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
18 September 2015

Corporate governance statement

Argonaut Resources NL (the Company) and its controlled entities (the Group) have adopted the corporate governance framework and practices set out in this statement. The framework and practices have been in place throughout the financial year, and comply with the third edition of the ASX Corporate Governance Council's Principles and Recommendations (the Recommendations), unless otherwise stated.

This statement has been approved by the Board, and the information provided remains current as at the date of this report. Company policies are available in the Corporate Governance section of the Company's website at *www.argonautresources.com*.

The Board guides and monitors the business and affairs of the Company on behalf of the shareholders, by whom they are elected and to whom they are accountable.

The functions of the Board are detailed on the Board charter which can be found on the company website. They include:

- review and approval of corporate strategies, the annual budget and financial plans;
- overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- monitoring financial performance including approval of cash flow statements and annual and half-year financial reports and liaison with the Company's auditors;
- approving fees of Non-Executive Directors;
- ensuring there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of the organisation;
- ensuring the significant risks facing the Group have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place;
- appointment, retention and termination of the Exploration Director and Chief Financial Officer (CFO) and Company Secretary;
- approving and monitoring major capital and exploration expenditure, capital management, and acquisitions and divestitures;
- reporting to shareholders; and
- approving decisions concerning the capital of the Company.

The Board of Directors

Throughout the year, the Board has consisted of the following members:

- Patrick Elliott, independent Non-Executive Chairman (appointed 30 June 2003);
- Malcolm Richmond, independent Non-Executive Director (appointed 13 March 2012);
- Lindsay Owler, Exploration Director (appointed 1 \ June 2005); and
- Andrew Bursill, Executive CFO and Company Secretary.

The Chairman's responsibilities include leadership of the Board and the efficient organisation and conduct of the functioning of the Board.

There is a clear division of responsibilities between the Chairman and the Exploration Director. The Board has delegated to the Exploration Director the authority to manage the day-to-day affairs of the Company. The Board ensures that the Exploration Director is appropriately qualified and experienced to discharge his responsibilities.

Board employment

The Company has in place an external supplier to undertake appropriate checks on any potential director appointments (if required by the board in addition to their internal checking). Under the Company's Constitution, all directors appointed throughout the year as an additional director or to fill a casual vacancy hold office to the AGM. Current directors hold office and are required to be considered by Shareholders for re-election under the Listing Rules.

All directors, whether appointed throughout the year as an additional director or to fill a casual vacancy or who are due for election under the Listing Rules, are disclosed in the Notice of AGM, with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. The company's constitution provides that at each annual general meeting, one third of the Board (other than any managing director in office from time to time) or, if their number is not a multiple of three, the number nearest to one third, must retire and, if the retiring directors so chose, may offer themselves for re-election. All directors have written contracts with the Company setting out the terms of their appointment.

Details of the Directors' skills, experience, expertise, special responsibilities and attendance at Board meetings are set out in the Directors' Report. The Company's constitution provides that at each annual general meeting, one third of the Board (other than any Managing Director in office from time to time) or, if their number is not a multiple of three, the number nearest to one third, must retire and, if the retiring Directors so chose, may offer themselves for re-election.

Independent advice

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

The finance and company secretarial functions are outsourced to an external firm, Franks & Associates. Andrew Bursill of Franks & Associates holds the role of CFO and Company Secretary. The Company Secretary is accountable to the Board through the Chairman on corporate governance matters pertaining to the proper functioning of the Board. All Directors have access to the Company Secretary.

Diversity

Recommendation 1.5 is that a Board should establish a Diversity Policy but due to the Company's size and nature of operations, the Company has not yet established one. The Company currently has two permanent full-time employees. There are no women employees, senior executives or Directors at the present time. As the Company grows, the Board remains conscious of the requirement to establish measurable objectives for achieving gender diversity and for the Board to assess and report annually both the objectives and the progress in achieving them.

Performance assessment

Due to the size of the Company and the Board a continual self-assessment is undertaken in relation to its collective performance and the performance of the Chairman.

The Company has two senior executives, who are also Directors. Given the size and the nature of the Company's operations, the performance of each executive is monitored on an ongoing basis by the non-executive Directors. During the period a formal Performance Review did not take place but a self-assessment of performance is scheduled for the next reporting period.

Nomination committee

Recommendation 2.1 is that the Board should establish a Nomination Committee. Due to the size of the Company and the Board, no Nomination Committee has been established.

The Board considers the following factors when selecting new Directors and when recommending Directors to shareholders for appointment or re-election:

- the aim of having a majority of independent Directors on the Board and of having an independent Non-Executive Chairman;
- that between them, the Directors have appropriate range of skills, expertise, experience and diversity to discharge the Board's mandate;
- that each individual Board member has sufficient time to meet his/her commitments as a Director of the Company;
- the duration of each existing Director's tenure, noting the retirement provisions of the Constitution, as set out above; and
- whether the size of the Board is appropriate to facilitate effective discussions and efficient decision making.

Board skills matrix

In line with recommendation 2.2, the Board has developed a Board skills matrix, to simplify the process for identifying any 'gaps' in the Board's skills, expertise and experience. As part of the review of the skills matrix the Board monitor the skills, expertise and experience that are relevant to the Company and assess those requirements against the collective attributes of the Directors. The Board skills matrix will be reviewed by the Directors on annual basis.

Independence

The Board annually assesses the independence of each Director. For this purpose an independent Director is a Non-executive Director whom the Board considers to be independent of management and free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with - the exercise of unfettered and independent judgment, and who:

1 is not a substantial shareholder of the Company, is not an officer of, or is not otherwise associated with a substantial shareholder;

2 within the last three years, has not been employed in an executive capacity by the Company or another Group member;

3 within the last three years, has not been a principal of a material professional advisor or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;

4 is not a material supplier to, or customer of, the Company or another Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and

5 has no material contractual relationship with the Company or another Group member, other than as a Director.

Patrick Elliott and Malcolm Richmond have been assessed as independent Directors. In reaching that determination, the Board has taken into account (in addition to the matters set out above):

1 the specific disclosures made by each independent Director as referred to above;

2 that no independent Director has ever been employed by the Company or any of its subsidiaries;

3 that no independent Director is, or has been associated with a supplier, professional adviser, consultant to or customer of the Company which is material under accounting standards; and

4 that no independent Director personally carries on any role for the Company otherwise than as a Director of the Company.

Recommendation 2.4 is that a majority of the Board should be independent. The Company has equal numbers of independent and non-independent Directors. As the Chairman has a casting vote at Board meetings, the majority of the Board could be considered to be independent. The Board believes that its current composition is appropriate to deliver on the Company's stated objectives. The size and scope of the Company's activities does not justify the cost of appointing further independent Directors at this stage of its development.

When a new director joins the Board they are provided with information about the Company including the Constitution, Board and Committee Charter's, policies and director duties information.

Code of conduct

The Company recognises the importance of establishing and maintaining high ethical standards and decision making in conducting its business and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, officers, employees, contractors, consultants and associates of the Group are expected to act with honesty and integrity in all their dealings with stakeholders.

The Group has established a Code of Conduct, which includes requirements to:

1 act in good faith in pursuing the objectives of the Company;

2 avoid situations which may give rise to a conflict of interest;

3 maintain confidentiality in relation to the affairs of the Company, its customers and its suppliers;

4 comply with the laws and regulations relating to the Company, particularly the prohibition on insider trading;

5 treat each other, suppliers, competitors, clients, customers and other stakeholders fairly and with respect;

6 protect and ensure efficient use of the Company's assets for legitimate business purposes;

7 refrain from offering or receiving a bribe; and

8 report unlawful/unethical behaviour, with those who report violations in good faith to be protected from harassment or discriminatory treatment.

Since the year end, the Board has reviewed and updated the Code of Conduct. The updated Code is available on the Company's website and has been circulated to all employees, contractors and consultants.

Audit arrangements

Recommendation 4.1 is that the Board should establish an Audit Committee. Due to the size of the Company and the Board, it is more efficient for the full Board to review the integrity of the Company's financial reporting and the processes to ensure the independence and competence of the external auditors.

While considering external reporting, the Board:

- assesses whether financial statements are consistent with Directors' knowledge and adequate for shareholders' needs;
- assesses the management processes supporting external reporting; and
- reviews risk management and internal control systems.

All members of the Board are financially literate and have an in depth understanding of the industry in which the Company operates.

The Board's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender for external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. The audit engagement partner is rotated periodically, as required by the Corporations Act.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the Directors' Report and the notes to the financial statements. The external auditors provide an annual declaration of their independence to the Board.

Integrity in corporate reporting

The CFO and Company Secretary has been appointed as the person responsible for communications with the Australian Securities Exchange (ASX). This officer is also responsible for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX.

The Exploration Director and CFO and Company Secretary have given a written declaration to the Board required by section 295A of the Corporations Act 2001 that in their view:

- the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board;
- the Company's risk management and internal compliance and control system is operating effectively in all material respects;
- the Company's financial statements and notes thereto comply with the accounting standards; and
- the Company's financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date.

In accordance with recommendation 4.3, the external auditor is requested to attend the annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Continuous disclosure policy

The Board has established a Disclosure and Communication Policy, which is available on the Company's website. Amongst other items it details: the Company's continuous disclosure obligations, disclosure roles, responsibilities and internal procedures, as well as market and shareholder communications.

Website information

The Company discloses information about itself including its: Corporate Governance Statement, Corporate Governance Policies, past announcements, investor updates and other relevant information on the Company website. Shareholders and other interested parties may also subscribe for email alerts using the Company's website.

Investor relations

The Board aims to keep shareholders informed of all major developments affecting the Company's activities and its state of affairs through announcements to the ASX and releases to the media. The Company's commitment to respect the rights of shareholders is set out in the Disclosure and Communications Policy, which is available on the Company's website.

Shareholder meetings

Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website, and may electronically lodge proxy instructions for items of business to be considered at general meetings.

The Board encourages full participation of shareholders at the annual general meeting. Shareholders who are unable to attend general meetings are encouraged to lodge proxy appointments in advance of the meeting.

Risk assessment and management

Recommendation 7.1 is that the Board should establish a Committee to oversee risk. Due to the size of the Company the Board concluded that it was more efficient for the full Board to review the integrity of the Company's risk management processes to ensure a sufficient assessment and management of possible risks.

The Board is responsible for identifying material business risks and implementing procedures to manage those risks. The Board has formalised its processes for documenting the Group's risk profile in a risk management matrix which is reviewed by the Board at least annually and has been reviewed during the 2015 financial period. Following the review the Board is satisfied that the risk management framework continues to be sound. The risk management matrix identifies areas of risk for the Group and records any remedial action the Group has taken in the management of those risks.

The Board and management identify, monitor and manage compliance issues and significant risks on an ongoing basis. In particular, the Board requires that the risks related to diversified resources exploration, development and production are addressed in proposed operations.

Internal audit

Due to the size of the Company and its Board, there is no internal audit function and the Board concluded that it was more appropriate for the full Board to consider internal control processes as part of the risk management framework. Key elements of the Group's internal control systems include:

- the Code of Conduct, which sets out an ethical and legal framework for all employees in the conduct of the Group's business; and
- financial and reporting systems to provide timely, relevant and reliable information to management and the Board.

Material exposure to risk

Recommendation 7.4 is that the Board should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if so, how it manages those risks. The Company believes that the following operational risks are inherent in the industry in which the Company operates, having regard to the Company's circumstances (including financial resources, prospects and size):

- fluctuations in commodity prices and exchange rates;
- accuracy of mineral reserve and resource estimates;
- reliance on licenses, permits and approvals from governmental authorities;
- ability to obtain additional financing;
- acquisition of new business opportunities; and
- changed operating, market or regulatory environments.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by the Company, and are not necessarily an exhaustive list.

The Exploration Director and the CFO and Company Secretary have reported and declared in writing to the Board that the Group's management of its material business risks is effective.

Remuneration

Recommendation 8.1 is that the Board should establish a Remuneration Committee. Due to the size of the Company and the Board, it is more efficient for the full Board to review remuneration policy matters. The remuneration of directors is determined by the Board as a whole having regard to the level of fees paid to directors by other companies of similar size in the industry to ensure that it is appropriate and not excessive.

The Board considers:

- executive remuneration and incentive policies;
- the Company's recruitment retention and termination policies and procedures for senior management;
- superannuation arrangements; and
- the remuneration of Executive Directors, with the Exploration Director excusing himself from the deliberations.

The remuneration policy has been disclosed in the Directors Report.

Due to the size of the Company, the structure of both Executive and Non-Executive Directors' remuneration includes a long-term incentive component, linked to the performance of the Group. The Non-Executive Directors receive no retirement benefits, other than statutory superannuation contributions. Any increase in the maximum total remuneration of the Non-Executive Directors of the Company, which is set at $350,000 is subject to the approval of shareholders.

Any Directors or employees participating in equity based remuneration schemes are prohibited from entering into transactions in products which limit the economic risk of holding unvested entitlements under those schemes.

Financial report

Contents

Financial report

General information

The financial statements cover Argonaut Resources NL as a group consisting of Argonaut Resources NL and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Argonaut Resources NL's functional and presentation currency.

Argonaut Resources NL is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 4 Level 9
341 George Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the notes to the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 September 2015.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Revenue from continuing operations	4	34,831	36,939
Expenses			
Employee benefits expense		(424,000)	(267,186)
Office administration expense		(127,046)	(152,874)
Depreciation and amortisation expense	5	(1,713)	(56,011)
Impairment of exploration and evaluation asset	14	(5,089,792)	(874,064)
Gain/(loss) on derivative financial instrument	12	(219,318)	1,787
Other expenses	5	(759,249)	(872,402)
Loss before income tax expense from continuing operations		(6,586,287)	(2,183,811)
Income tax expense	6	-	-
Loss after income tax expense from continuing operations		(6,586,287)	(2,183,811)
Loss after income tax expense from discontinued operations	7	(164,511)	(5,595,913)
Loss after income tax expense for the year		(6,750,798)	(7,779,724)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation		-	(1,876)
Loss on the revaluation of financial assets, net of tax	20	(489,621)	299,367
Derecognition of foreign currency translation	20	(612,709)	-
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	20	168,762	(97,022)
Other comprehensive income for the year, net of tax		(933,568)	200,469
Total comprehensive income for the year		(7,684,366)	(7,579,255)
Loss for the year is attributable to:			
Non-controlling interest		-	(5,585,216)
Owners of Argonaut Resources NL		(6,750,798)	(2,194,508)
		(6,750,798)	(7,779,724)
Total comprehensive income for the year is attributable to:			
Continuing operations		-	(5,585,216)
Discontinued operations		-	-
Non-controlling interest		-	(5,585,216)
Continuing operations		(7,519,855)	(1,994,039)
Discontinued operations		(164,511)	-
Owners of Argonaut Resources NL		(7,684,366)	(1,994,039)
		(7,684,366)	(7,579,255)
Earnings per share for loss from continuing operations attributable to the owners of Argonaut Resources NL			
Basic earnings per share	34	(1.521)	(2.570)
Diluted earnings per share	34	(1.521)	(2.570)
Earnings per share for loss from discontinued operations attributable to the owners of Argonaut Resources NL			
Basic earnings per share	34	(0.037)	(1.848)
Diluted earnings per share	34	(0.037)	(1.848)
Earnings per share for loss attributable to the owners of Argonaut Resources NL			
Basic earnings per share	34	(1.521)	(0.725)
Diluted earnings per share	34	(1.521)	(0.725)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2015

	Note	Consolidated 2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	8	835,000	1,942,550
Trade and other receivables	9	103,595	39,847
Other	10	20,430	6,589
Total current assets		959,025	1,988,986
Non-current assets			
Financial assets at fair value	11	669,387	1,334,008
Derivative financial instruments	12	-	219,318
Property, plant and equipment	13	16,308	87,832
Intangibles		50,000	50,000
Exploration and evaluation	14	3,657,308	8,586,546
Total non-current assets		4,393,003	10,277,704
Total assets		5,352,028	12,266,690
Liabilities			
Current liabilities			
Trade and other payables	16	183,703	443,556
Employee benefits	17	174,419	160,540
Total current liabilities		358,122	604,096
Non-current liabilities			
Contingent consideration	18	150,000	150,000
Total non-current liabilities		150,000	150,000
Total liabilities		508,122	754,096
Net assets		4,843,906	11,512,594
Equity			
Issued capital	19	40,611,465	40,587,351
Reserves	20	(5,201,134)	(4,264,266)
Accumulated losses		(30,566,425)	(23,815,414)
Equity attributable to the owners of Argonaut Resources NL		4,843,906	12,507,671
Non-controlling interest	21	-	(995,077)
Total equity		4,843,906	11,512,594

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2015

Consolidated	Contributed equity $	Other reserves $	Share based payments reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2013	37,069,509	(5,079,115)	611,080	(21,620,906)	4,116,066	15,096,634
Loss after income tax expense for the year	-	-	-	(2,194,508)	(5,585,216)	(7,779,724)
Other comprehensive income for the year, net of tax	-	200,469	-	-	-	200,469
Total comprehensive income for the year	-	200,469	-	(2,194,508)	(5,585,216)	(7,579,255)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 19)	3,517,842	-	-	-	-	3,517,842
(Spare)	-	3,300	-	-	-	3,300
Aurum earn-in	-	-	-	-	474,073	474,073
Balance at 30 June 2014	40,587,351	(4,875,346)	611,080	(23,815,414)	(995,077)	11,512,594

Consolidated	Contributed equity $	Other reserves $	Share based payments reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2014	40,587,351	(4,875,346)	611,080	(23,815,414)	(995,077)	11,512,594
Loss after income tax expense for the year	-	-	-	(6,750,798)	-	(6,750,798)
Other comprehensive income for the year, net of tax	-	(933,568)	-	-	-	(933,568)
Total comprehensive income for the year	-	(933,568)	-	(6,750,798)	-	(7,684,366)
Transactions with owners in their capacity as owners:						
Contributions of equity	60,500	(3,300)	-	-	-	57,200
Transaction costs	(36,386)	-	-	-	-	(36,386)
Aurum earn-in	-	-	-	-	994,864	994,864
Derecognition of non-controlling interest	-	-	-	(213)	213	-
Balance at 30 June 2015	40,611,465	(5,812,214)	611,080	(30,566,425)	-	4,843,906

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,146,432)	(1,251,767)
Interest received		33,970	26,780
Rental income		-	20,971
Net cash used in operating activities	33	(1,112,462)	(1,204,016)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(1,144)
Payments for exploration and evaluation		(166,782)	(2,105,000)
Payments for exploration and evaluation - earn in		-	(392,632)
Proceeds from disposal of investment property		-	425,000
Proceeds from sale of investment		150,880	-
Net cash used in investing activities		(15,902)	(2,073,776)
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs*	19	20,814	3,521,142
Funds advanced by Aurum for earn-in		-	351,245
Net cash from financing activities		20,814	3,872,387
Net increase/(decrease) in cash and cash equivalents		(1,107,550)	594,595
Cash and cash equivalents at the beginning of the financial year		1,942,550	1,347,705
Effects of exchange rate changes on cash and cash equivalents		-	250
Cash and cash equivalents at the end of the financial year	8	835,000	1,942,550

* Transaction costs relate to prior year issue of shares.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted with the exception of AASB 9 'Financial instruments' adopted from 1 January 2012.

The following Accounting Standards and Interpretations are the most relevant to the group.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders
The group has applied 2013-7 from 1 July 2014. The amendments remove the specific requirements in relation to consolidation from AASB 1038 Life Insurance Contracts thereby leaving AASB 10 as the only standard containing consolidation requirements for life insurers.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part B)
The group has applied Part B of 2013-9 from 1 July 2014, which amends particular Australian Accounting Standards to delete references to AASB 1031 Materiality as part of the AASB's aim to eventually withdraw AASB 1031.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

AASB 1031- Materiality
The revised standard is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments were effective from 1 July 2014.

Note 1. Significant accounting policies (continued)

Going concern
The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated entity has incurred net losses after tax of $6,750,798 (2014: $7,779,724) and net cash outflows from operating and investing activities of $1,128,364 (2014: $3,277,792) for the year ended 30 June 2015. For the reasons described below, conditions exist that indicate there is a material uncertainty as to the consolidated entity's ability to continue as a going concern.

The directors have prepared cash flow forecasts which indicate that the current cash resources will not be sufficient to fund planned exploration expenditure, other principal activities and working capital requirements without the sale of non-core assets and/or capital raising. The consolidated entity will be required to realise through the sale of non-core assets to fund its current operations through to 30 September 2016. The consolidated entity is reviewing various capital raising opportunities to meet its capital requirements.

Based on the cash flow forecasts and achieving all or some funding, the directors are confident that the consolidated entity will be able to continue as a going concern. The directors are confident in the consolidated entity's ability to fund its activities as mentioned above.
Should the consolidated entity be unable to raise capital or realise the sale of non-core assets, there is a material uncertainty whether the consolidated entity will be able to continue as a going concern and therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Argonaut Resources NL ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Argonaut Resources NL and its subsidiaries together are referred to in these financial statements as the 'group'.

The group re-assessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year and included in the statement of comprehensive income from the date the group gains control until the date the group ceases to control the subsidiary.

Note 1. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Argonaut Resources NL's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services
Rendering of services revenue from computer maintenance fees is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Note 1. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Discontinued operations
A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 1. Significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

The group early adopted AASB 9 'Financial instruments' after interests in convertible notes were converted to equity instruments. The policy is applied retrospectively from 1 January 2012 (no restatement of comparatives was recessary), and contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows that are sole payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. An exception applies to certain investments in equity financial instruments held at the date of initial application which have been elected to be designated as fair value through other comprehensive income with no recycling of realised gains and losses into the income statement and no impairment recognition. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Held-to-maturity investments
Held-to-maturity investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Note 1. Significant accounting policies (continued)

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land is not depreciated.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	20-40 years
Plant and equipment	5-7 years
Motor vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets if there is no reasonable certainty of obtaining ownership.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangibles
Intangible assets are initially recognised at cost. Intangible assets are subsequently remeasured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly listed companies or other available fair value indicators. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that have interdependent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Note 1. Significant accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 1. Significant accounting policies (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Argonaut Resources NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2015. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 2014-3 - Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
AASB 2014-4 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)
AASB 2015-1 - Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
AASB 2015-2 - Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
AASB 2015-3 - Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the annual reporting period but may impact profit or loss. The accounting estimates and assumptions relating to equity share-based payments would have no impact on the carrying amounts of assets and liabilities within the annual reporting period but may impact profit or loss and equity if new instruments are granted.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Operating segments

Identification of reportable operating segments
The CODM reviews only direct exploration expenditure. As such no segment results or revenues are separately disclosed. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Segment assets
Segment assets are those operating assets of the entity that the CODM views as directly attributing to the performance of the segment. These are the mining and exploration assets.

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Corporate Office Activities
Corporate office activities comprise non-segmental revenues and expenses and are therefore not allocated to operating segments.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 2015	Australia $	Laos $	Zambia $	Intersegment eliminations/ unallocated $	Total $
Assets					
Segment assets	1,494,020	-	2,163,288	-	3,657,308
Unallocated assets:					
Cash and cash equivalents					835,000
Other assets					859,720
Total assets					5,352,028
Liabilities					
Unallocated liabilities:					
Current					358,122
Non current					150,000
Total liabilities					508,122

Consolidated - 2014	Australia $	Laos $	Zambia $	Intersegment eliminations/ unallocated $	Total $
Assets					
Segment assets	1,542,117	-	7,094,429	-	8,636,546
Unallocated assets:					
Cash and cash equivalents					1,942,550
Other assets					1,687,594
Total assets					12,266,690
Liabilities					
Unallocated liabilities:					
Current					531,321
Non current					222,775
Total liabilities					754,096

Note 4. Revenue

	Consolidated 2015 $	Consolidated 2014 $
From continuing operations		
Interest	34,831	15,968
Other revenue	-	20,971
Revenue from continuing operations	34,831	36,939

Note 5. Expenses

	Consolidated 2015 $	Consolidated 2014 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Property, plant and equipment	1,713	56,011
Impairment		
Exploration and evaluation assets - note 14	5,089,792	874,064
Other expenses include:		
Audit, accounting and legal fees	311,100	355,582
Office lease and maintenance	32,342	48,802
Statutory expenses	47,100	59,272
Travelling	37,711	119,497
Tenement expenses *	306,876	231,398
Increase in deferred consideration	-	50,000
Loss on sale of investment property	-	9,813
Loss on sale of equity securities	24,120	-
Total other expenses	759,249	874,364

* Tenement expenses include principally administration and legal expenses incurred to secure access.

Note 6. Income tax expense

	Consolidated 2015 $	Consolidated 2014 $
Income tax expense		
Current tax	(560,000)	(419,315)
Deferred tax	56,794	41,930
Tax losses (used) / unrecognised	503,206	377,385
Aggregate income tax expense	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(6,586,287)	(2,183,811)
Loss before income tax expense from discontinued operations	(164,511)	(5,595,913)
	(6,750,798)	(7,779,724)
Tax at the statutory tax rate of 30%	(2,025,239)	(2,333,917)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible items	1,522,033	1,956,532
	(503,206)	(377,385)
Tax losses (used) / unrecognised	503,206	377,385
Income tax expense	-	-

Note 6. Income tax expense (continued)

Unused income tax losses carried forward to later years are $33,733,310 (2014: $32,055,958) resulting in potential tax benefits of $10,119,993 (2014: $9,616,787) The potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated 2015 $	Consolidated 2014 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Carry forward tax losses	394,540	397,171
Provisions and accruals	69,546	65,464
Interest receivable	258	-
Exploration and evaluation	(464,344)	(462,635)
Total deferred tax assets not recognised	-	-

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 7. Discontinued operations

Description

The company had an agreement whereby Aurum Resources Pty Ltd ("Aurum") had a right to earn in the Century tenement. The agreement which was signed with the Lao Government expired in February 2013. Although an application for the second renewal of the agreement was lodged in November 2012, the company does not intend to continue to pursue its renewal. Aurum has taken control of Argonaut Resources Laos Limited which holds the Century tenement project and is responsible to settle all remaining liabilities. On that basis, on 1 July 2014, the group has de-recognised the assets and liabilities of Argonaut Resources Laos Limited and Aurum's non controlling interest in the project.

Financial performance information

	Consolidated 2015 $	Consolidated 2014 $
Accounting and legal expense	-	(1,962)
Office administration expense	-	(13,320)
Impairment of exploration and evaluation asset - earn in	-	(5,580,631)
Total expenses	-	(5,595,913)
Loss before income tax expense	-	(5,595,913)
Income tax expense	-	-
Loss after income tax expense	-	(5,595,913)
Loss on disposal before income tax	(164,511)	-
Income tax expense	-	-
Loss on disposal after income tax expense	(164,511)	-
Loss after income tax expense from discontinued operations	(164,511)	(5,595,913)

Note 7. Discontinued operations (continued)

Cash flow information

	Consolidated 2015 $	Consolidated 2014 $
Net cash used in operating activities	-	(13,696)
Net cash used in investing activities	-	(338,139)
Net cash from financing activities	-	351,245
Net decrease in cash and cash equivalents from discontinued operations	-	(590)

Carrying amounts of assets and liabilities disposed

	Consolidated 2015 $	Consolidated 2014 $
Trade and other receivables	8	-
Property, plant and equipment	69,811	-
Total assets	69,819	-
Trade and other payables	287,462	-
Total liabilities	287,462	-
Net liabilities	(217,643)	-

Details of the disposal

	Consolidated 2015 $	Consolidated 2014 $
Carrying amount of net liabilities disposed	217,643	-
Derecognition of foreign currency reserve	612,709	-
Derecognition of non-controlling interest	(994,863)	-
	-	-
Loss on disposal before tax income	(164,511)	-
Income tax expense	-	-
Loss on disposal after income tax	(164,511)	-

Note 8. Current assets - cash and cash equivalents

	Consolidated 2015 $	Consolidated 2014 $
Cash at bank	335,000	1,942,550
Cash on deposit	500,000	-
	835,000	1,942,550

Exposure to interest rate risks is disclosed in the financial risk management note below.

Note 9. Current assets - trade and other receivables

	Consolidated	
	2015	2014
	$	$
Other receivables	103,595	39,847

Note 10. Current assets - other

	Consolidated	
	2015	2014
	$	$
Prepayments	20,430	6,589

Note 11. Non-current assets - financial assets at fair value

	Consolidated	
	2015	2014
	$	$
Quoted equity securities	669,387	1,334,008

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	1,334,008	1,034,641
Disposals	(175,000)	-
Revaluation increments	-	299,367
Revaluation decrements	(489,621)	-
Closing fair value	669,387	1,334,008

Refer to note 24 for further information on fair value measurement.

Quoted securities represent 16.7m shares in Cuesta Coal Limited.

During the period, the investment in Musgrave Minerals Limited were disposed of for $150,880, resulting in a loss on disposal of $24,120.

Note 12. Non-current assets - derivative financial instruments

	Consolidated 2015 $	Consolidated 2014 $
Derivative financial instruments	-	219,318

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2015 $	2014 $
Opening fair value	219,318	217,531
Revaluation increments	-	1,787
Revaluation decrements	(219,318)	-
Closing fair value	-	219,318

Refer to note 24 for further information on fair value measurement.

The derivative financial instruments are unquoted options which relate to 26.6m options issued by Cuesta Coal Limited in April 2012, exercisable at 25 cents and expiring 31 December 2015. Options are measured at fair value at each reporting date with changes recognised in profit or loss.The options were valued at nil at year end.

The Black-Scholes option valuation methodology has been used on the assumption that the options would be exercised at 25 cents on or before 31 December 2015. The inputs applied to the valuation model are: share price of 5 cents, volatility of 47.75%, interest free rate of 2.68% and a discount rate of 20%.

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2015 $	Consolidated 2014 $
Land - at cost	13,133	13,133
Plant and equipment - at cost	4,064	103,539
Less: Accumulated depreciation	(3,266)	(99,495)
	798	4,044
Motor vehicles - at cost	54,192	253,795
Less: Accumulated depreciation	(51,815)	(183,140)
	2,377	70,655
	16,308	87,832

Note 13. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $	Land $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2013	11,705	13,133	10,774	108,647	144,259
Additions	-	-	1,144	-	1,144
Disposals	(3,969)	-	-	(8,166)	(12,135)
Exchange differences	-	-	(268)	(11,401)	(11,669)
Depreciation expense	(7,736)	-	(7,606)	(18,425)	(33,767)
Balance at 30 June 2014	-	13,133	4,044	70,655	87,832
Disposals	-	-	(2,034)	(67,777)	(69,811)
Depreciation expense	-	-	(1,212)	(501)	(1,713)
Balance at 30 June 2015	-	13,133	798	2,377	16,308

Note 14. Non-current assets - exploration and evaluation

	Consolidated 2015 $	Consolidated 2014 $
Exploration and evaluation assets - at cost	22,231,600	22,071,046
Less: Impairment	(18,574,292)	(13,484,500)
	3,657,308	8,586,546

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Australia $	Century Laos $	Xekong Laos $	Mwombezhi Zambia $	Total $
Balance at 1 July 2013	1,446,835	874,064	-	5,094,869	7,415,768
Expenditure during the year	45,283	-	-	1,999,559	2,044,842
Impairment of assets	-	(874,064)	-	-	(874,064)
Balance at 30 June 2014	1,492,118	-	-	7,094,428	8,586,546
Expenditure during the year	8,082	-	-	152,472	160,554
Impairment of assets	(6,180)	-	-	(5,083,612)	(5,089,792)
Balance at 30 June 2015	1,494,020	-	-	2,163,288	3,657,308

During the year, a drilling program at the Lumwana West project in Zambia has been conducted. The results indicated that a portion of its deposits would not be recovered in full from successful development, considering current market conditions. On this basis management has written off the carrying value attributable to those deposits.

In the prior year, advancement of the Xekong project in Laos was subject to licence renewal and funding from potential joint venture partners willing to meet licence renewal requirements. Given these events did not happen, the Xekong area tenements were fully impaired.

Note 15. Non-current assets - exploration and evaluation - earn in

Expenditure incurred by Aurum Resources Pty Ltd ("Aurum") and accrued amounts in relation to their earn in into the Century tenement is separately reported in this account. A non-controlling interest is recognised within equity to effectively reflect Aurum's compensation for services received determined based on earn in expenditure incurred.

As there was no intention to pursue the Century tenement renewal, the exploration asset of $5,580,631 subject to the earn in was fully impaired in the prior year as at 30 June 2014.

Note 16. Current liabilities - trade and other payables

	Consolidated	
	2015	**2014**
	$	**$**
Trade payables	99,131	66,410
Advance from Aurum	-	2,643
Trade and other payables - payable by earn-in partner	-	287,462
Other payables	84,572	87,041
	183,703	443,556

Refer to note 23 for further information on financial instruments.

Refer to share-based payment note below for information on Aurum.

Note 17. Current liabilities - employee benefits

	Consolidated	
	2015	**2014**
	$	**$**
Annual leave	105,171	87,765
Long service leave	69,248	72,775
	174,419	160,540

Amounts not expected to be settled within the next 12 months
The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated	
	2015	**2014**
	$	**$**
Employee benefits obligation expected to be settled after 12 months	69,248	72,775

Note 18. Non-current liabilities - contingent consideration

	Consolidated	
	2015	**2014**
	$	**$**
Contingent consideration	150,000	150,000

Note 18. Non-current liabilities - contingent consideration (continued)

As part of the agreement to purchase the remaining 20% non-controlling interest in Arctic Scene Ltd from Nsansala Resources Ltd, a portion of the consideration was determined to be contingent, based on reaching set tonnage and grade levels. A milestone payment of $2 million in cash or shares in Argonaut Resources NL may be payable as additional consideration when 1 million tonne of in-ground copper is located and the resource must be estimated to JORC standards with an average grade of at least 0.5% copper, using a cut-off grade of 0.2%.

The company has previously determined the fair value of this liability by applying a probability factor determined based on the drilling information to the potential $2 million future cash outflow. An increase in the probability of meeting the target will result in an increase in the liability. The initial fair value of the contingent consideration at the agreement date was $50,000. On the basis of encouraging initial drillings, the fair value was increased to $150,000 at 30 June 2014. The exploration undertaken since that date was inconclusive. Further drilling programs are being scheduled to further evaluate the prospectivity of that area. On that basis, the valuation of $150,000 continues to reflect the fair value and remains appropriate based on exploration results to date and probability of the company making this future payment. No discount has been applied to this liability as a result of uncertainty in the timing of the future payment. However, management do not believe this will result in a material difference in the financial liability balance.

Other than the contingent consideration disclosed in the statement of financial position, the consolidated entity did not have any contingent liabilities as at 30 June 2015.

Note 19. Equity - issued capital

	Consolidated			
	2015 Shares	**2014 Shares**	**2015 $**	**2014 $**
Ordinary shares - fully paid	443,791,701	441,041,701	40,611,465	40,587,351

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2013	274,876,470		37,069,509
Issue of shares	14 March 2014	51,539,337	$0.020	1,133,865
Issue of shares	17 April 2014	17,179,780	$0.020	377,955
Issue of shares	5 May 2014	54,899,991	$0.020	1,183,644
Issue of shares	24 June 2014	42,546,123	$0.020	936,016
Share issue costs		-	$0.000	(113,638)
Balance	30 June 2014	441,041,701		40,587,351
Issue of shares - placement	7 July 2014	2,750,000	$0.020	60,500
Share issue costs - relating to prior year share issued		-	$0.000	(36,386)
Balance	30 June 2015	443,791,701		40,611,465

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 19. Equity - issued capital (continued)

Capital risk management
The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Capital is defined as total shareholders equity.

In order to maintain or adjust the capital structure, the group may issue new shares or sell assets.

Note 20. Equity - reserves

	Consolidated	
	2015	**2014**
	$	**$**
Foreign currency reserve	(1,456,458)	(1,012,511)
Share-based payments reserve	611,080	611,080
Revaluation reserve	(2,768,669)	(2,279,048)
Transaction between shareholders reserve	(1,587,087)	(1,583,787)
	(5,201,134)	(4,264,266)

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of equity instruments.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Other reserve $	Foreign currency reserve $	Share based payment reserve $	Revaluation reserve $	Transaction between shareholders reserve $	Total $
Balance at 1 July 2013	-	(913,613)	611,080	(2,578,415)	(1,587,087)	(4,468,035)
Revaluation - gross	-	-	-	299,367	-	299,367
Foreign currency translation	-	(98,898)	-	-	-	(98,898)
Equity yet to be issued *	3,300	-	-	-	-	3,300
Balance at 30 June 2014	3,300	(1,012,511)	611,080	(2,279,048)	(1,587,087)	(4,264,266)
Revaluation - gross	-	-	-	(489,621)	-	(489,621)
Foreign currency translation	-	168,762	-	-	-	168,762
Reclassified to profit or loss **	-	(612,709)	-	-	-	(612,709)
Equity issued *	(3,300)	-	-	-	-	(3,300)
Balance at 30 June 2015	-	(1,456,458)	611,080	(2,768,669)	(1,587,087)	(5,201,134)

* Placement money received in advance, shares issued 7 July 2014.
** Reclassified to profit or loss on derecognition of Aurum earn-in.

Note 21. Equity - non-controlling interest

	Consolidated 2015 $	Consolidated 2014 $
Aurum earn in	-	(805,223)
Accumulated losses	-	(189,854)
	-	(995,077)

The group had an agreement whereby Aurum has been granted 1% of the share capital of Argonaut Overseas Investments Limited ("AOI") and a right to earn in an additional 71% interest in AOI by spending $6.5 million on exploration and evaluation activity with respect to the Century tenement in Laos. This arrangement was accounted for as a share based payment thereby increasing non-controlling interest within equity given it could potentially result in the issue of shares in a subsidiary of the company, based on the actual expenditure incurred by Aurum.

The agreement over the Century tenement which was signed with the Lao Government expired in February 2013. Although an application for the second renewal of the agreement was lodged in November 2012, the company does not intend to continue to pursue its renewal. Aurum has taken control of Argonaut Resources Laos Limited which holds the Century tenement project and is responsible to settle all remaining liabilities. On that basis, on 1 July 2014, the group has de-recognised the assets and liabilities of Argonaut Resources Laos Limited and Aurum's non controlling interest in the project.

Note 22. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives
The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Despite international operations, the financial statements are not significantly affected by transactional currency exposures given overseas operations are transacted in their functional currencies. The consolidated entity does not have any significant transactions or balances denominated in foreign currencies at the year end.

Note 23. Financial instruments (continued)

Price risk
The group is exposed to price risk arising from investments in equity securities. All equity investments held by the company are publicly traded on the ASX. The price risk for these instruments is material in terms of the possible impact on other comprehensive income with respect to equity investments and as such a sensitivity analysis is completed below. Given the group considers its derivative instruments to have nil value, there is no exposure to price risk.

	Average price increase			Average price decrease		
Consolidated - 2015	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Equity investments	25%	-	167,347	25%	-	(167,347)

	Average price increase			Average price decrease		
Consolidated - 2014	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Equity investments	20%	-	266,802	20%	-	(266,802)
Derivative financial instruments	20%	-	-	20%	(43,864)	-
		-	266,802		(43,864)	(266,802)

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's cash at bank held on deposits. Due to the size and length of the term deposit at year end, a sensitivity analysis was not performed as sensitivity is not considered to be material.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 23. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	99,131	-	-	-	99,131
Other payables	-%	84,572	-	-	-	84,572
Total non-derivatives		183,703	-	-	-	183,703

Consolidated - 2014	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	66,410	-	-	-	66,410
Other payables	-%	377,146	-	-	-	377,146
Total non-derivatives		443,556	-	-	-	443,556

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity shares	669,387	-	-	669,387
Total assets	669,387	-	-	669,387
Liabilities				
Contingent consideration	-	-	150,000	150,000
Total liabilities	-	-	150,000	150,000

Note 24. Fair value measurement (continued)

Consolidated - 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity shares	142,500	1,191,508	-	1,334,008
Options	-	219,318	-	219,318
Total assets	142,500	1,410,826	-	1,553,326
Liabilities				
Contingent consideration	-	-	150,000	150,000
Total liabilities	-	-	150,000	150,000

The company's investment in Cuesta Coal shares have been transferred from level 2 to level 1 and based on the quoted share price at 30 June 2015. In management's view, the conditions noted in previous periods are no longer applicable and discounting would not be material given the shares are already trading at a low market price.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 25. Key management personnel disclosures

Directors
The following persons were directors of Argonaut Resources NL during the financial year:

P J D Elliott
L J Owler
A W Bursill
M R Richmond

Compensation
The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	Consolidated 2015 $	Consolidated 2014 $
Short-term employee benefits	443,750	460,000
Post-employment benefits	22,922	23,125
Long-term benefits	-	4,166
	466,672	487,291

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company:

	Consolidated 2015 $	2014 $
Audit services - Ernst & Young		
Audit or review of the financial statements	67,650	71,000
Other services - Ernst & Young		
Preparation of the tax return and tax related services	6,500	6,300
	74,150	77,300

Note 27. Contingent liabilities

There were no contingent liabilities as at year end (2014: nil).

Note 28. Related party transactions

Parent entity
Argonaut Resources NL is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Joint operations
Interests in joint operations are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2015 $	2014 $
Payment for goods and services:		
Payment for accounting, administration and company secretarial services to Franks & Associates Pty Ltd of which the director, A W Bursill, is a principal	176,863	184,681

All transactions were made on normal commercial terms and conditions and at market rates.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 28. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2015 $	2014 $
Current borrowings:		
Contributions from Aurum to the Century joint operation	-	2,643

The Century joint operation with Aurum was discontinued. Refer to further details on discontinued operations in note 7.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2015 $	2014 $
Loss after income tax	(10,291,251)	(1,082,371)
Total comprehensive income	(10,291,251)	(1,082,371)

Statement of financial position

	Parent	
	2015 $	2014 $
Total current assets	822,088	1,981,287
Total assets	8,261,597	18,973,938
Total current liabilities	97,521	148,255
Total liabilities	506,512	458,795
Equity		
Issued capital	40,611,465	40,587,351
Share-based payments reserve	611,080	611,080
Other reserves	-	3,300
Revaluation reserve	(2,768,669)	(2,279,048)
Accumulated losses	(30,698,791)	(20,407,540)
Total equity	7,755,085	18,515,143

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2014 and 30 June 2013.

Note 29. Parent entity information (continued)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at 30 June 2015 and 30 June 2014.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
Kelaray Pty Limited	Australia	100.00%	100.00%
Argonaut Resources Overseas Investments Limited	British Virgin Islands	100.00%	100.00%
Argonaut Overseas Investments Limited	British Virgin Islands	99.00%	99.00%
Argonaut Resources Laos Limited *	Lao	-%	70.00%
Prospect Exploration & Mining Limited	British Virgin Islands	85.50%	85.50%
Sunrise International Resources Limited	British Virgin Islands	100.00%	100.00%
Arctic Scene Ltd	Hong Kong	100.00%	100.00%
Yellow Bridge Limited	Hong Kong	100.00%	100.00%
Lumwana West Resources Limited	Zambia	100.00%	100.00%

* Control of subsidiary handed over to Aurum Resources Pty Ltd on 1 July 2014 following decision not to renew the tenement in which Aurum was earning in.

Subsidiaries domiciled in British Virgin Islands, Hong Kong and Lao are not required to be audited under these countries requirements.

Note 31. Interests in joint operations

Information relating to joint operations that are material to the group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
EL 4577 - Sandstone *	South Australia - Gold	3.30%	3.30%
EL 5183 - Campfire Bore *	South Australia - Gold	3.30%	3.30%
EL 5336 - Myrtle Springs **	South Australia - Zinc	100.00%	100.00%
EL 5220 - Mt Parry **	South Australia - Zinc	100.00%	100.00%
Century - Aurum earn-in ***	Laos - Gold	-%	69.00%
16121-HQ-LPL Lumwana West ****	Zambia - Copper	90.00%	90.00%

* Kelaray Pty Ltd, a subsidiary of the consolidated entity, holds a 33% interest in Coombedown Resources Pty Ltd.

** These are subject to an earn in agreement with the joint operation partner. As at year end, the joint operation partner has completed the required expenditure but the transfer of interest is yet to be effected and Argonaut Resources still holds 100% interest.

*** Earn in arrangement ended due to decision not to renew the Century tenement licence with the Lao Government.

Note 31. Interests in joint operations (continued)

**** Lumwana West Resources Ltd ("Lumwana West"), a subsidiary of the consolidated group, has entered into a farm in joint arrangement with Mwombezhi Resources Ltd. Under the terms of the joint arrangement Lumwana West can earn up to 90% in the copper project. In October 2012, 51% shareholding in Mwombezhi Resources Ltd was alloted to the Lumwana West upon completion of the initial earn-in by spending U$1.8 million on exploration and by paying the original shareholders of Mwombezhi Resources Ltd a milestone payment of U$600,000.

In April 2014, the company signed an agreement with a wholly owner subsidiary of Antofagasta PLC ("Antofagasta") for the exploration and funding of the Lumwana West project. Under this agreement, Antofagasta can earn up 70% project interest by spending US$18.9 million on exploration plus the amount required to complete a feasibility study to international standards. In the event the project is moved forward and Argonaut decides not to fund its pro-rata share of the project, it will be either carried into production or be bought-out at the value of its interest.

In May 2014, the group has completed the second earn-in of the underlying Lumwana West agreement to increase project ownership from 51% to 90%. The group has met the second phase expenditure target of US$2.4 million and made a payment of US$1.1 million to the project vendors.

Note 32. Events after the reporting period

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 33. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2015	**2014**
	$	**$**
Loss after income tax expense for the year	(6,750,798)	(7,779,724)
Adjustments for:		
Depreciation and amortisation	1,713	56,011
Impairment of non-current assets	5,089,792	6,454,695
Net loss on disposal of non-current assets	24,120	-
(Gain) / Loss on derivative financial instrument	219,318	(1,787)
Loss from discontinued operations	164,511	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(77,597)	26,238
Increase in trade and other payables	216,479	40,551
Net cash used in operating activities	(1,112,462)	(1,204,016)

Note 34. Earnings per share

	Consolidated	
	2015	**2014**
	$	**$**
Earnings per share for loss from continuing operations		
Loss after income tax	(6,586,287)	(2,183,811)
Non-controlling interest	(164,511)	(5,595,913)
Loss after income tax attributable to the owners of Argonaut Resources NL	(6,750,798)	(7,779,724)

Note 34. Earnings per share (continued)

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	443,738,961	302,731,890
Weighted average number of ordinary shares used in calculating diluted earnings per share	443,738,961	302,731,890
	Cents	**Cents**
Basic earnings per share	(1.521)	(2.570)
Diluted earnings per share	(1.521)	(2.570)

	Consolidated	
	2015	**2014**
	$	**$**
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Argonaut Resources NL	(164,511)	(5,595,913)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	443,738,961	302,731,890
Weighted average number of ordinary shares used in calculating diluted earnings per share	443,738,961	302,731,890
	Cents	**Cents**
Basic earnings per share	(0.037)	(1.848)
Diluted earnings per share	(0.037)	(1.848)

	Consolidated	
	2015	**2014**
	$	**$**
Earnings per share for loss		
Loss after income tax	(6,750,798)	(7,779,724)
Non-controlling interest	-	5,585,216
Loss after income tax attributable to the owners of Argonaut Resources NL	(6,750,798)	(2,194,508)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	443,738,961	302,731,890
Weighted average number of ordinary shares used in calculating diluted earnings per share	443,738,961	302,731,890
	Cents	**Cents**
Basic earnings per share	(1.521)	(0.725)
Diluted earnings per share	(1.521)	(0.725)

There are 55 million share options excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for the current period presented.

Note 35. Share-based payments

A share option plan is established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may grant options over ordinary shares in the parent entity to employees, key management personnel and suppliers of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the board.

Set out below are summaries of options granted under the plan:

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
06/12/2012	31/12/2015	$0.100	7,000,000	-	-	-	7,000,000
			7,000,000	-	-	-	7,000,000

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/12/2010	31/12/2013	$0.300	7,000,000	-	-	(7,000,000)	-
06/12/2012	31/12/2015	$0.100	7,000,000	-	-	-	7,000,000
			14,000,000	-	-	(7,000,000)	7,000,000

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2015 Number	2014 Number
06/12/2012	31/12/2015	7,000,000	7,000,000
		7,000,000	7,000,000

The weighted average remaining contractual life of options outstanding as at the end of the financial year was 0.5 years (2014: 1.5 years).

The average exercise price of options outstanding as at the end of the financial year was $0.10 (2014: $0.10).

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

P J D Elliott
CHAIRMAN

18 September 2015

Independent auditor's report to the members of Argonaut Resources NL

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Building a better working world

Independent auditor's report to the members of Argonaut Resources NL

Report on the financial report

We have audited the accompanying financial report of Argonaut Resources NL, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Argonaut Resources NL is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern. As a result of these matters, there is significant uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Argonaut Resources NL for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
18 September 2015

Shareholder information

The shareholder information set out below was applicable as at 23 September 2015.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of $0.06 quoted options	Number of holders of $0.10 unquoted options	Number of holders of $0.15 unquoted options
1 to 1,000	1,532	170	-	-
1,001 to 5,000	556	111	-	-
5,001 to 10,000	318	35	-	-
10,001 to 100,000	751	73	-	-
100,001 and over	348	31	4	1
	3,505	420	4	1
Holding less than a marketable parcel	3,191	400	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
CITICORP NOMINEES PTY LIMITED	63,453,072	14.30
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,193,782	6.35
BDO ZAMBIA TRUST COMPANY UNLIMITED	22,600,000	5.09
TATTERSFIELD SECURITIES LIMITED	22,308,345	5.03
TATTERSFIELD SECURITIES LIMITED	22,200,000	5.00
CLELAND PROJECTS PTY LTD (CT A/C)	19,207,729	4.33
GLENEDEN NOMINEES PTY LTD	13,315,160	3.00
NEFCO NOMINEES PTY LTD	9,000,000	2.03
MS SARAH JANE LOUISE FRANKS (DELPHINI FAMILY A/C)	4,500,000	1.01
UNAVAL NOMINEES PTY LTD (UNAVAL RETIREMENT FUND A/C)	3,755,450	0.85
MR MARTIN GREEN	3,750,000	0.84
MR ANDREI MAZOURENKO	3,750,000	0.84
MR DAVID SYLVESTOR	3,750,000	0.84
CHATENOIS PTY LTD (CHATENOIS SUPER FUND A/C)	3,600,002	0.81
MR JONATHAN CLIVE MANIFOLD	3,533,779	0.80
GRANBOROUGH PTY LTD	3,500,000	0.79
MR ANDREW MISTARZ	3,131,844	0.71
MS ZHENGHUA WANG	3,109,563	0.70
MS LAY KEE TAY	3,056,033	0.69
GOLDSKY ENTERPRISES PT	2,800,000	0.63
	242,514,759	54.65

	Options over ordinary shares	
	Number held	% of total options issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,988,951	23.65
TATTERSFIELD SECURITIES LIMITED	7,400,000	19.47
NEFCO NOMINEES PTY LTD	3,000,000	7.89
CLELAND PROJECTS PTY LTD (INVESTMENT A/C)	1,487,849	3.91
DAVID SYLVESTOR	1,250,000	3.29
MARTIN GREEN	1,250,000	3.29
CITICORP NOMINEES PTY LIMITED	1,041,888	2.74
TATTERSFIELD SECURITIES LIMITED	1,015,882	2.67
JETOSEA PTY LTD	900,000	2.37
MS SARAH JANE LOUISE FRANKS (DELPHINI FAMILY A/C)	889,928	2.34
CLELAND PROJECTS PTY LTD (CT A/C)	883,333	2.32
BDO ZAMBIA TRUST COMPANY UNLIMITED	866,667	2.28
MRS PO CHU WONG	750,000	1.97
MR DOMINIC VIRGARA	633,333	1.67
MR SAVERIO VIRGARA	628,000	1.65
J CLASS PTY LTD (THE CANADA SUPER FUND A/C)	526,340	1.38
CLAPSY PTY LTD (BARON SUPER FUND A/C)	399,999	1.05
UNAVAL NOMINEES PTY LTD (UNAVAL RETIREMENT FUND A/C)	333,333	0.88
MR DAVID WILLIAM STOPFORD LAW	300,000	0.79
MR ANDREW VANDERSLUYS (VANDERSLUYS INVESTMENT A/C)	256,666	0.68
	32,802,169	86.31

Unquoted equity securities

	Number on issue	Number of holders
$0.10 UNLISTED OPTIONS EXPIRY 31 DECEMBER 2015	7,000,000	4
$0.15 UNLISTED OPTIONS EXPIRY 11 DECEMBER 2015	10,000,000	1

The following persons holds 20% or more of unquoted equity securities:

Name	Class	Number held
AMICUS GROUP LIMITED	$0.10 UNLISTED OPTIONS EXPIRY 31.12.2015	2,500,000
BJ RETAIL PTY LTD	$0.10 UNLISTED OPTIONS EXPIRY 31.12.2015	1,500,000
MR PATRICK ELLIOTT	$0.10 UNLISTED OPTIONS EXPIRY 31.12.2015	1,500,000
MALCOLM RICHMOND	$0.10 UNLISTED OPTIONS EXPIRY 31.12.2015	1,500,000
BDO ZAMBIA TRUST COMPANY UNLIMITED	$0.15 UNLISTED OPTIONS EXPIRY 11.12.2015	10,000,000

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held
ANTOFAGASTA INVESTMENT COMPANY LIMITED	54,899,991
TATTERSFIELD GROUP	43,140,146
BDO ZAMBIA TRUST COMPANY UNLIMITED	22,600,000

Voting rights

Voting rights are as set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

All quoted and unquoted options do not carry any voting rights.

Listing Rule 3.13.1 and 14.3

The Annual General Meeting is scheduled to be held on 20 November 2015.

SUMMARY OF MINING TENEMENTS

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
SOUTH AUSTRALIAN MINERAL EXPLORATION LICENCES						
EL 5183	21/05/2012	20/05/2017	33	Campfire Bore	Coombedown Resources Pty Ltd	10%[1]
EL 5212	05/11/2012	04/11/2015	481	Alford	Kelaray Pty Ltd	100%
EL 53362	04/06/2013	03/06/2015	27	Myrtle Springs	Kelaray Pty Ltd	100%
EL 5614	18/08/2014	17/08/2019	295	Lake Torrens	Kelaray Pty Ltd	30%
EL 5220	04/11/2014	03/11/2016	27	Mt Parry	Kelaray Pty Ltd	100%
EL 45772	18/10/2010	17/10/2015	119	Sandstone	Coombedown Resources Pty Ltd	10%[1]
EL 5359	06/12/2013	05/12/2015	170	Yardea	Kelaray Pty Ltd	100%
QUEENSLAND MINERAL EXPLORATION PERMIT						
EPM 15705	28/09/2006	27/09/2016	63	Kroombit Creek	Kelaray Pty Ltd	100%
QUEENSLAND MINING LEASE						
ML 5631	16/05/1974	31/05/2026	0.32	Kroombit	Kelaray Pty Ltd	100%
QUEENSLAND MINERAL DEVELOPMENT LICENCE APPLICATION						
MDL 2002			0.64	Kroombit	Kelaray Pty Ltd	100%
ZAMBIAN LARGE SCALE PROSPECTING LICENCES						
16121-HQ-LPL[2]	21/07/2011	20/07/2015	575	North Western Province	Mwombezhi Resources Ltd	90%

1 Kelaray holds a 33% interest in Coombedown Resources Pty Ltd

2 Renewal application.

Argonaut RESOURCES NL