

31 March 2016

ASX Market Announcements
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

SHARE PLACEMENT: ASX LISTING RULE 7.1A.4(B) & 3.10.5A NOTICE

Argonaut Resources Limited (ASX: ARE) (“Argonaut” or “Company”) hereby provides notice to the ASX for the purposes of ASX Listing Rule 3.10.5A and ASX Listing Rule 7.1A.4(B) that on 30 March 2016 it issued 110,900,000 fully paid ordinary shares in the Company, of which 44,379,170 ordinary shares were issued in accordance with ASX Listing Rule 7.1A (“LR 7.1A Placement”).

The issue price was \$0.012 per share, with a total of \$1,330,800 in funds raised before costs.

Pursuant to the provisions of ASX Listing Rule 3.10.5A in which the issue of 44,379,170 ordinary shares were made under ASX Listing Rule 7.1A, the Company states that:

- The 7.1A Placement of 44,379,170 ordinary shares represented 8% of the expanded ordinary shares on issue of the Company, resulting in a dilution to the existing holders of ordinary securities by that amount;
- The share issue under ASX LR 7.1A is a placement that was conducted prior to the ASX announcement of the Company’s 1:6 Non-Renounceable Rights Issue on 24 March 2016;
- The Company considered the 7.1A Placement as the most efficient and expedient method for raising the funds required by the Company for its working capital purposes;
- Applications for the 44,379,170 ordinary shares issued under ASX LR 7.1A were made via a broker. Brokers’ fee of 4% of the total placement amount was payable, including a \$25,000 management fee, exclusive of GST. In addition, the Company agreed to issue the broker 7,500,000 unlisted options exercisable at any time at \$0.002 until 5pm on 30 June 2019, exclusive of GST; and
- The 7.1A Placement was underwritten.

For and on behalf of the Board,



Andrew Bursill
Company Secretary