

9 February 2017

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 9 February 2017 it issued 110,000,000 fully paid ordinary shares in the Company, of which 64,705,882 ordinary shares were issued in accordance with ASX Listing Rule 7.1A ("ASX LR 7.1A Placement").

The issue price for the 64,705,882 ordinary shares that were issued in accordance with ASX Listing Rule 7.1A was \$0.0051 per share, with a total of A\$330,000 in funds raised before costs.

Pursuant to the provisions of ASX Listing Rule 3.10.5A in which the issue of 64,705,882 ordinary shares were made under ASX Listing Rule 7.1A, the Company states that:

- The ASX LR 7.1A Placement of 64,705,882 ordinary shares represented 7.95% 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 Company considered the ASX LR 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 64,705,882 ordinary shares issued under ASX LR 7.1A were made via a broker. A brokers' fee of 4% of the amount raised by the broker was payable, plus a 2% management fee of the placement amount, all exclusive of GST.
- The 7.1A Placement was not underwritten.

For and on behalf of the Board,



Andrew Bursill
Company Secretary