Argonaut
RESOURCES NL
ABN 97 008 084 848

ANNUAL REPORT
2017

Corporate Directory

Argonaut Resources NL
ABN 97 008 084 848

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

Company Secretary
A W Bursill

Registered office
Suite 2 Level 10
70 Phillip Street
Sydney NSW 2000

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

Auditor
Ernst & Young
200 George Street
Sydney NSW 2000

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

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

Website
www.argonautresources.com

Contents

Review of Operations

Australia

TORRENS, SOUTH AUSTRALIA

Commodities: Copper, Gold

Argonaut Interest: 30%

Operator: Argonaut

Highlights

- The South Australian Environment, Resources and Development Court has granted native title authority to access and undertake exploration within the Torrens project area (EL5614).
- The Torrens Joint Venture is seeking the reissue of two government approvals required to finalise access provisions for a major drilling program.

Native Title Access

On 31 March 2017, Judge Cole of the South Australian Environment, Resources and Development Court granted Kelaray Pty Ltd (Argonaut's wholly owned subsidiary and manager of the joint venture) and Aeris Resources Limited authority to enter and undertake mining operations (exploration) within the area of Exploration Licence 5614.

The granting of this authority is the most important step towards recommencement of drilling at the Torrens Project. Native title was the principal reason for a hiatus in exploration that has lasted since March 2008. Argonaut and its 70% Joint Venture partner, Aeris Resources Limited, look forward to working with all Traditional Owners to preserve and protect heritage sites nearby to the Torrens licence.

The Torrens Joint Venture

The Torrens Joint Venture is between Argonaut Resources NL and Aeris Resources Limited (ASX: AIS, previously Straits Resources Ltd) and relates to the Torrens Project, EL5614.

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. In its role as manager of the joint venture, Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, is working to secure access to the tenement for the purpose of a planned drilling program targeting areas which have been geophysically modelled as having the physical properties of large iron oxide-copper-gold deposits.

The Way Forward

The Torrens Joint Venture is seeking the reissue of two state government approvals to finalise access provisions for a major drilling program at Torrens. Both approvals were previously held by the joint venture for a similar drilling program. The joint venture expects that these approvals will be reissued, in accordance with required procedures, during the second half of 2017.

The Torrens Anomaly

The Torrens anomaly is a coincident magnetic and gravity anomaly with a footprint larger than that of Olympic Dam. The anomaly is located at the Torrens Hinge Zone, a continent-scale zone of crustal weakness that appears to have been a conduit for mineralising fluids from the Earth's mantle.

Drilling of the Torrens anomaly by Western Mining Corporation in the late 1970s and by the Torrens Joint Venture in 2007 and 2008 confirmed the existence of a major iron oxide copper-gold mineralising system beneath several hundred metres of sedimentary cover.

More drilling is required to intercept the modelled copper-gold mineralisation. In the event of a discovery, the Torrens anomaly has the potential to host a world-class copper-gold deposit.

Australia

MURDIE, SOUTH AUSTRALIA

Commodities: Copper, Gold

Argonaut Interest: 100%

Operator: Argonaut

Argonaut Resources was granted two strategic South Australian exploration licences, EL5937 and EL5945. The licences are contiguous with the Company's Torrens project in South Australia. These licences cover a confirmed IOCG target in an area known as Murdie as well as a second anomaly at West Lake Torrens.

The licences cover an area of 1,015 square kilometres and are located immediately south and east of the Torrens project and east of the Carrapateena deposit.

The Murdie licences constitute excellent exploration opportunities in their own right and provide Argonaut with a commanding land holding in the event of a discovery at Torrens.

HIGGINSVILLE, WESTERN AUSTRALIA

Commodities: Gold, Copper

Argonaut Interest: earning 80%

Operator: Argonaut

Highlights

- The company signed a definitive earn-in agreement on 7 February 2017 for a package of 14 tenements in the Higginsville area of Western Australia. The tenements are prospective for gold and nickel.
- Gold targets are shallow oxide targets and deeper primary gold targets with the following historic drilling highlights:
  - AMC0007: 8m at 2.07g/t gold from 26m,
  - AMC0013: 5m at 4.03g/t gold from 21m,
  - AMC0015: 8m at 3.27g/t gold from 17m, and
  - FFP0010: 7m at 2.13g/t gold from 28m.
- Nickel targets are prospective for massive nickel sulphides.

Location

The tenements that make-up the Higginsville project are in Western Australia's Eastern Goldfields. Geologically, the package sits within the Norseman-Wiluna Belt, a belt of ancient rocks endowed with gold and nickel that sits within the broader Yilgarn Craton.

Approximately 70% of Australia's historical gold production has come from the Yilgarn Craton and most of that from the Norseman-Wiluna Belt.

The Higginsville Project is located south of Kambalda, west of Lake Cowan and adjacent to Higginsville where over two million ounces of gold has been historically defined. Gold discoveries at Baloo and Monsoon (Polar Bear) by S2 Resources are located immediately east of the Higginsville Project at Lake Cowan.

Previous Exploration

Historic shallow drilling in the area of Amorphous and Footes Find prospects was completed by Resolute Mining Ltd in the early 1990s. Highlights of this drilling are:

Amorphous Prospect

- AMC0007: **8m at 2.07g/t gold from 26m**
  - including 2m at 7.94g/t gold from 28m
- AMC0010: 9m at 1.21g/t gold from 71m
  - including 2m at 3.78g/t gold from 73m
- AMR0013: **5m at 4.03g/t gold from 21m**
  - including 2m at 10.37g/t gold from 22m
- AMR0015: **8m at 3.27g/t gold from 17m**
  - including 3m at 9.6g/t gold from 21m

Footes Find Prospect

- FFP0010: **7m at 2.13g/t gold from 28m**
  - including 1m at 12.5g/t gold from 30m

Australia

Amorphous and Footes Find are located approximately 5km along a sealed road from an operating mill and present an excellent opportunity for a meaningful, near-term exploration and resource definition outcome.

Gold Exploration

Argonaut's two primary goals in securing the earn-in agreement are to firstly explore for near-surface oxide gold in areas with historic shallow drilling results and secondly to target deeper primary gold mineralisation at depths previously untested by drilling.

Argonaut will commence an RC drilling program at the Amorphous and Footes Find prospects in September/October 2017. The drilling program aims to better define the oxide gold mineralisation and intersect primary gold mineralisation at depth.

Nickel Exploration

Nickel targets within the Higginsville tenement package are called Hayes Hill and Green Bananas. These targets are located south of Higginsville near the west shore of Lake Cowan. The targets have been defined by auger drilling and are co-incident with magnetic signatures typical of nickel-bearing geological units.

Green Bananas features a nickel geochemistry anomaly with auger samples returning between 0.1% and 0.2% nickel.

These targets are prospective for massive nickel sulphides such as those discovered by Mincor Resources NL nearby at Cassini. Targets warrant geological investigation and contingent follow-up geophysical (EM) surveys.

Agreement Terms

Argonaut and Loded Dog Prospecting Pty Ltd executed the Eastern Goldfields Earn-In Joint Venture and Royalty Agreement on 7 February 2017. Under the agreement, Argonaut has the right to earn an 80% interest in the tenement package according to the following terms:

- Argonaut can earn a 51% interest in the tenement package in exchange for completing $500,000 in exploration expenditure within two years of commencement; and
- Argonaut may earn a further 29% interest, for a total of 80%, by funding $1,500,000 in exploration expenditure within a further three years.
- Reimbursement of tenement acquisition expenses totalling $250,000 are payable by Argonaut progressively under the agreement.
  - » reimbursement of $100,000 is payable on execution of the definitive earn-in agreement;
  - » reimbursement of $75,000 is payable on the first anniversary; and
  - » reimbursement of $75,000 is payable on election to proceed to the second phase of the earn-in.

An issue of ordinary fully paid Argonaut shares valued at $50,000 was made on execution of the definitive earn-in agreement in February 2017.

Australia

KROOMBIT, QUEENSLAND

Commodities: Zinc, Copper

Argonaut Interest: 100%

Operator: Argonaut

Background

Argonaut holds a 100% interest in the Kroombit zinc-copper deposit in Central Queensland via its interest in ML5631 and MDL2002. Mining on ML5631 is subject to a 2% net smelter royalty, payable to Aeris Resources Ltd.

On 11 June 2009, Argonaut announced a maiden resource estimation for the Kroombit deposit. The Indicated and Inferred Resources at Kroombit comprise:

- a Zinc Resource of 5.2 million tonnes at 1.9% zinc and 0.15% copper using a cut-off of 1.0% Zn, for 98,800 tonnes of zinc and 7,800 tonnes of copper; and
- a Copper Resource of 0.9 million tonnes at 1.0% copper at a cut-off of 0.5% Cu for 9,000 tonnes of copper.

In addition, Exploration Results are reported comprising a defined Exploration Potential of between:

- 1 million and 1.5 million tonnes at 1.5% to 2.0% zinc, and between
- 0.5 million and 1 million tonnes at 0.7% to 1.3% copper.

No field based work was undertaken at Kroombit during the period.

On 21 July 2010, Argonaut announced that metallurgical testing had succeeded in producing a particularly high grade zinc concentrate of 54%.

ALFORD, SOUTH AUSTRALIA

Commodities: Copper, Gold

Argonaut Interest: 100%

Operator: Argonaut

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.

Alford Farm-in Joint Venture

The farm-in joint venture agreement for the Alford Project with Sandfire Resources NL was terminated by Sandfire on 31 August 2016.

Argonaut confirms that it retains a 100% interest in Exploration Licence 5212. A subsequent ELA (ELA 2017/00168) was applied for in August 2017.

No field based work was undertaken at Alford during the period.

AROONA, SOUTH AUSTRALIA

Commodity: Zinc

Argonaut Interest: 100%

Operator: Perilya Ltd

Argonaut agreed to relinquish EL5520 during the period. EL5336, Aroona, is subject to a joint venture agreement with Perilya Limited. No field based work was undertaken at Aroona during the period.

LAKE BLANCHE, SOUTH AUSTRALIA

Commodity: Lithium

Argonaut Interest: 100%

Operator: Argonaut

Lake Blanche is a closed-to-restricted basin covering an area of 1,700 square kilometres. It has a broad catchment that includes the Mt Babbage and Mt Painter Inliers which are recorded as containing elevated rare elements including lithium and tantalum.

On 4 April 2016, Argonaut announced it secured two exploration licences covering Lake Blanche, a salt lake with the potential to host lithium brines and potash in the north of South Australia.

In the event economic concentrations of lithium are contained in Lake Blanche's brines, the lake has the potential to be an internationally significant source.

No previous lithium brine exploration has been recorded in the Lake Blanche area although historic brine exploration has been undertaken at Lake Frome, to the southeast.

Canada

CRESCENT LAKE, ONTARIO

Commodity: Lithium

Argonaut Interest: 100%

Operator: Argonaut

Highlights

- Results from a six-hole program of drilling completed in July 2016 at the Falcon Lake West deposit feature potentially economic intercepts through thick, spodumene-bearing pegmatites.
- A mapping program to identify additional pegmatite occurred in October 2016.
- Argonaut completed its assessment of the Falcon Lake and Zigzag claims in the Crescent Lake area and on 28 February 2017 exercised its option to acquire a 100% interest.

Previous Exploration

The areas were drilled in the 1950s, during a Canadian lithium exploration boom, and then again in 2010-11. Neither drilling program was extensive. Drilling data from the 1950s was reported prior to modern JORC and NI43-101 standards being established. This late 1950s diamond core drilling was undertaken by British Canadian Lithium Mining Corporation.

The 2010-11 era drilling at Falcon Lake and Zigzag is reported to NI43-101 standards.

All previous drilling has focused on surface or near-surface lithium bearing pegmatites.

The Crescent Lake Lithium Project is located 250km north-northwest of Thunder Bay in Ontario, Canada. The project consists of 34 claim areas covering the Crescent Lake/Seymour Lake pegmatite dyke swarm.

Deposit Geology

The Crescent Lake lithium deposits are hard rock, spodumene-bearing pegmatite deposits. The pegmatites also feature elevated tantalum and are geologically comparable to the lithium tantalum pegmatites being mined at Tanco in Manitoba, Canada and Greenbushes in Western Australia.

The known deposits outcrop/ subcrop and are potentially suitable for open-cut mining.

Falcon Lake

There are four known pegmatite occurrences in the Falcon Lake area. The Falcon Lake West deposit comprises two south-easterly dipping spodumene-bearing pegmatites with true widths of up to 24m and 15m.

2016 Drilling Program

In July 2016, Argonaut completed a six-hole program of diamond core drilling at the Falcon Lake West deposit. The program targeted two pegmatite units, one of which outcrops boldly. The Falcon Lake West deposit is one of four identified target areas featuring spodumene-bearing pegmatites in the eastern portion of the Crescent Lake project area.

The Crescent Lake pegmatite swarm is hosted within an east-west oriented greenstone belt.

Highlights from final analysis of the 2016 drilling program include:

- 24.4m at 1.48% Li_2O from 10.9m; including
  - » 9.0m at 1.95% Li_2O from 20.4m in drill hole FLDD006.
- 11m at 1.05% Li_2O from 40.2m; including
  - » 6m at 1.26% Li_2O from 43.8m in drill hole FLDD0002.
- 21.7m at 1.09% Li_2O from 48.0m; including
  - » 7.9m at 1.31% Li_2O from 49.8m in drill hole FLDD001.

This program confirmed that grades and thicknesses in the Falcon Lake area are potentially economic.

Zigzag

There are three main lithium pegmatite occurrences in the Zigzag area: Tebishogeshik (Tebish), Dempster L28 and Dempster East.

The Tebish occurrence is a stack of 3-4 pegmatites which have been intercepted by wide-spaced drilling over a strike length of 670m. Given the broad drill spacing and structural continuity, lithium grades within the pegmatite stack are poorly understood.

Canada

Exploration Program

Argonaut outlined regional target zones that warranted detailed exploration for undiscovered pegmatites. These zones are elongate, structurally controlled zones within and at the margins of the greenstone belt that hosts the known spodumene pegmatites in the area.

In November 2016, Argonaut completed a detailed mapping program across areas previously identified as prospective for pegmatite occurrences. The mapping program involved 50 or 100m spaced traverses which were systematically walked by geologists over the target areas.

The survey team identified 39 possible pegmatites. The newly mapped occurrences were predominantly located in the areas of known occurrences. Of the 39 occurrences:

- three are positively identified as spodumene bearing;
- 24 have a coarse-grained texture diagnostic of pegmatites;
- four are not in-situ;
- sizes ranged from:
  - » 20m outcrop of unknown thickness; to
  - » 10cm thick vein.
- 34 occurrences are located on optioned claims and five occurrences are on claims held 100% by Argonaut's subsidiary, Sunrise Canada Inc.

The most promising occurrence mapped is exposed over 20m. This occurrence is in the Falcon Lake area and is a newly discovered pegmatite. This pegmatite may contain spodumene and may have a significant strike length and thickness.

Option Agreement

A subsidiary of Argonaut entered an option agreement with Canadian Orebodies Inc. (COB) on 3 March 2016 (the Option) to acquire claims over the Falcon Lake area and Zigzag area. The principal terms of the Option are:

1. COB grants Argonaut an exclusive option to conduct a due diligence study on the Crescent Lake Project for a period of six weeks in return for a payment of C$20,000.
2. The Option defines the material terms of a definitive agreement.
3. Argonaut may exercise the Option by paying COB C$50,000.
4. An interim option fee of C$150,000 is due on 1 July 2016.
5. Argonaut will then have until 30 November 2016 to complete its assessment of the project at which time it can elect to purchase 100% the Crescent Lake Project for C$200,000.
6. The following milestone payments are also defined in the Option:
   a. C$400,000 in cash or shares payable to COB on announcement of a maiden resource; and
   b. C$1,000,000 in cash or shares payable to COB on decision to mine.

Claims are subject to a 2% royalty, payable to historic vendors.

The option agreement required Argonaut to complete its assessment of the project by 30 November 2016 at which time Argonaut could elect to purchase 100% of the claims for CAD200,000.

On 16 December 2016, Argonaut announced details of an extension and variation to the option to acquire the Falcon Lake and Zigzag areas.

A variation and extension to the option agreement was executed which provides for the following amended terms:

- Canadian Orebodies granted Argonaut an extension to the assessment period under the option agreement from 30 November 2016 to 28 February 2017.
- In exchange for the grant of this extension, Argonaut:
  - » made a cash payment to Canadian Orebodies of CAD50,000;
  - » issued AUD70,000 worth of ordinary shares, calculated on the 2-week volume weighted average price, to Canadian Orebodies; and
  - » may make a final purchase payment of CAD150,000 on or before 28 February 2017, at the conclusion of the assessment.

On 28 February 2017, Argonaut exercised its option to acquire 100% of the Falcon Lake and Zigzag claims.

Canada

GREENBUSH LAKE, ONTARIO

Commodity: Lithium

Argonaut Interest: 100%

Operator: Argonaut

The Greenbush Lake Lithium Pegmatite Project is in Ontario, Canada, and features a large, outcropping spodumene-bearing pegmatite with grades of up to 2.46% Li_2O within an area confirmed as having the requisite geological components for lithium pegmatite emplacement.

The known lithium pegmatite occurrence is 15m wide by 30m in exposed strike length. The actual strike length of the known pegmatite has not yet been determined as the exposure continues under thin sedimentary cover to the north and under lake waters to the south. The pegmatite has not been drilled.

Previous Exploration

Three phases of exploration have been undertaken in the area of the lithium occurrence.

1. The Ontario Department of Mines discovered the pegmatite around 1965 and took a chip sample across the full width (50 feet) of the outcrop. Analysis of the chip sample returned 1.25% Li_2O.
2. Placer Development Ltd explored the area for tantalum in 1980. A magnetic survey attempting to define the extent of the pegmatite was unsuccessful; however, an assay of the outcrop returned 2.46% Li_2O.
3. Canadian Orebodies Inc. undertook an exploration program in 2009. Highlights of a rock-chip sampling program are shown in Table 1.

Table 1: 2009 Rock-chip sample highlights, Greenbush Lake Project.

Description	Li_2O (%)
Outcrop	1.19
Float	1.96
Float	0.85
Float	0.95
Outcrop	1.58

Regional Geology

Lithium bearing pegmatites of the Superior Province generally occur along boundaries of geological sub-provinces. Fertile granites near sub-provincial boundaries are the source of the lithium and rare element pegmatites. The Greenbush Lake Project features these necessary elements.

Location

The Greenbush Lake Project is located approximately 150km north-west of Argonaut's Crescent Lake Lithium Project and sits between East Pashkokogan Lake and Greenbush Lake. The project area is accessible via boat in summer and by snowmobile during the winter.

Zambia

LUMWANA WEST

Commodities: Copper, Cobalt

Argonaut Interest: 90%

Operator: Argonaut

Highlights

- Argonaut has acquired Antofagasta's 25% beneficial interest in Lumwana West, increasing Argonaut's interest to 90%.
- In exchange for Antofagasta's interest, Argonaut has agreed to make milestone payments and grant a net smelter royalty.
- The estimation of an Exploration Target including cobalt as well as copper was commissioned by Argonaut during the period.

The Lumwana West project is in the Central African Copperbelt, North-Western Province, Zambia. The area is prospective for large tonnage, low to medium grade copper deposits. There are several major mines nearby to Lumwana West that are hosted in similar geological settings.

Argonaut, via its majority held subsidiary, Mwombezhi Resources Ltd, has been successful in intercepting broad copper intercepts at the Nyungu deposit and has defined a series of large, prospective targets that have now undergone first-pass drill testing.

Revised Exploration Target

The estimation of an Exploration Target including cobalt as well as copper was commissioned by Argonaut. The revised Exploration Target is:

Table 2: Nyungu March 2017 Exploration Target.

Commodity	Tonnage Range (Mt)	Grade Range (%)	Contained Metal Range (kt)
Copper*	130 to 180	0.45 to 0.65	580 to 1,150
Cobalt^	15 to 20	0.08 to 0.12	12 to 24

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

* *Copper Exploration Target announced to the ASX by Argonaut on 9 April 2013.*

^ *Cobalt Exploration Target announced to the ASX by Argonaut on 28 March 2017.*

The March 2017 Exploration Target is estimated to JORC 2012 standards. Argonaut is planning to undertake a drilling program targeting cobalt of at least 3,000 metres as soon as possible.

Cobalt Drill Intercepts

Cobalt mineralisation occurs as coherent lenses within the footwall of the copper sulphide mineralisation. Argonaut intercepted strong cobalt mineralisation from its first drill hole into the Nyungu deposit in 2011, NYU11RD001 (120m at 0.06% Co, including 26m at 0.13% Co). Cobalt is intercepted predictably between drill traverses in a zone at or below the base of significant copper mineralisation.

Zambia

Nyungu deposit cobalt drilling highlights:

Table 3: Nyungu copper-cobalt deposit – cobalt drill intercepts.

Hole	From (m)	Interval (m)	Co (%)	Cu (%)
NYU11RD001	37	120.0	0.06	0.34
including	104	26.0	0.13	0.28
NYU11RD010	155	72.0	0.08	0.61
including	167	38.0	0.10	0.91
NYU11RD013	31	1.0	0.56	0.57
NYU11RD022	12	88.2	0.07	0.47
including	42	10.0	0.19	0.61
NYRD031	236	59.9	0.07	0.50
including	237	22.0	0.13	0.58
NYRD038	258	29.0	0.12	0.55
including	259	21.0	0.16	0.57
NYRD044	181.5	12.2	0.10	0.18
including	186.8	6.0	0.16	0.24
NYRD045	38.5	69.0	0.06	0.58
including	93	8.0	0.11	0.29
NYRD046	183.4	81.5	0.12	0.71
including	218.5	23.0	0.21	0.51
MM296	88	53.0	0.05	0.30
including	90	12.0	0.13	0.50

The opportunity exists to drill further and better cobalt intercepts and to increase the tonnage and grade of cobalt mineralisation. This is mainly because previous drilling specifically targeted copper mineralisation, not cobalt.

Current cobalt prices have potential to transform the economics of the Nyungu deposit.

Milestone Payments

In February 2017, Argonaut and Antofagasta reached a preliminary and non-binding agreement of terms for the re-acquisition by Argonaut of a 25% beneficial interest in the Lumwana West project earned by Antofagasta under an earn-in style option agreement that ran from April 2014 to October 2015. Antofagasta spent $3,900,000 on regional exploration at Lumwana West during the earn-in period.

In exchange for Antofagasta's interest, Argonaut has agreed to make milestone payments and grant a net-smelter royalty on the following terms:

- pay Antofagasta US$1,000,000 on the commencement of a feasibility study; and
- on development decision
  - » pay Antofagasta US$3,000,000; and
  - » grant Antofagasta a 1/5% net smelter royalty on production.

Additionally:

- Argonaut will have the right to buy the net smelter royalty from Antofagasta for US$4,000,000; and
- Argonaut will pay Antofagasta 25% of any sale proceeds in the event the project is divested.

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 2017.

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 Canada, Zambia and Australia. The consolidated entity's prime commodity focus is lithium and 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 the identification and development of mineral resource opportunities with an emphasis on projects that were amenable to value-adding via exploration and rapid development into production.

DIVIDENDS

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

REVIEW OF RESULTS

The loss for the group after providing for income tax amounted to $2,070,049 (30 June 2016: $7,810,060).

REVIEW OF OPERATIONS

A review of operations report is presented on pages 4–12.

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

On 11 July 2017 Argonaut announced that the Company has successfully completed a Private Placement (Placement) of 254,545,448 fully paid ordinary shares and 127,272,727 unlisted attaching options, exercise price $0.0055. The options can be exercised between 31 December 2017 and 31 March 2018 as long as the option holder, at both 31 December 2017 and upon exercise, holds at least the same number of shares (existing and Placement shares), as at the date of issue of shares pursuant to the Placement. This Placement was made to sophisticated and professional investors at a price of $0.0055 per share, raising a total of A$1.4 million (before costs).

On 12 July 2017 the Company undertook a non-underwritten Share Purchase Plan (SPP or Plan). The SPP issue price for each new share was $0.006. On 1 August 2017, the Company announce that the SPP has closed oversubscribed and issued 66,666,632 new ordinary shares raising approximately $400,000 (before costs).

On 19 July 2017, 47 ordinary shares were issued on conversion of options at an exercise price of $0.06 per share.

No other matter or circumstance has arisen since 30 June 2017 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 consolidated entity is subject to and compliant with all aspects of environmental regulation of its exploration and mining actives. The directors are not aware of any environmental law that is not being complied with.

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, Variscan Mines Limited and Kirrama Resources Limited

Former directorships (last 3 years)

Cuesta Coal Limited

Interests in shares

15,372,090

Interests in options

10,363,636

L J Owler
EXPLORATION DIRECTOR

B.Sc, MAusIMM

Experience and expertise

Argonaut Resources NL's Exploration Director since 27 March 2005 and was appointed onto the Board as Executive Director on 1 June 2005. Mr Owler is a Geologist and Geophysicist with 19 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

Interests in shares

1,400,000

Interests in options

10,000,000

A W Bursill
NON-EXECUTIVE DIRECTOR, COMPANY SECRETARY AND CFO

B.Agr. Ec., CA.

Experience and expertise

Mr. Andrew Bursill holds a Bachelor of Agricultural Economics from the University of Sydney and is a Chartered Accountant, qualifying with PricewaterhouseCoopers (formerly Price Waterhouse).

Since commencing his career as an outsourced CFO and Company Secretary in 1998, Mr. Bursill has been CFO, Company Secretary and/or Director for numerous ASX listed, unlisted public and private companies, in a range of industries covering mineral exploration, oil and gas exploration, biotechnology, technology, medical devices, retail, venture capital and wine manufacture and distribution.

Other current directorships

None

Former directorships (last 3 years)

ShareRoot Limited

Interests in shares

3,049,438

Interests in options

4,000,000

M R Richmond

NON-EXECUTIVE DIRECTOR

BSc 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.

Interests in shares

7,363,636

Interests in options

7,181,818

'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 2017, and the number of meetings attended by each director were:

	Full Board	
	Attended	**Held**
P J D Elliott	4	4
L J Owler	4	4
A W Bursill	4	4
M R Richmond	4	4

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

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 director and executive director remuneration is 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.

Remuneration Report (audited) continued

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

2017	Short-term benefits			Post-employment benefits	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	-	-	-	-	17,200	102,200
A W Bursill	40,000	-	-	-	-	17,200	57,200
M R Richmond	85,000	-	-	-	-	17,200	102,200
Executive directors:							
L J Owler	250,000	-	-	23,750	9,776	43,000	326,526
	460,000	-	-	23,750	9,776	94,600	588,126

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. Franks and Associates Pty Ltd were paid a total of $131,018 (2016: $148,065).

2016	Short-term benefits			Post-employment benefits	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	65,398	-	-	-	-	-	65,398
A W Bursill	37,500	-	-	-	-	-	37,500
M R Richmond	65,398	-	-	-	-	-	65,398
Executive directors:							
L J Owler	231,250	-	-	21,969	4,308	-	257,527
	399,546	-	-	21,969	4,308	-	425,823

Remuneration Report (audited) continued

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	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Non-executive directors:						
P J D Elliott	83%	100%	-	-	17%	-
A W Bursill	70%	100%	-	-	30%	-
M R Richmond	83%	100%	-	-	17%	-
Executive directors:						
L J Owler	87%	100%	-	-	13%	-

Service agreements

Remuneration and other terms of employment for the exploration director, L Owler, is yet to be formalised in a service agreement. L Owler salary is currently at $250,000 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 2017.

Options

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted	Value of options vested	Number of options lapsed	Value of options lapsed
				$	$		$
P J D Elliott	07/12/2016	07/12/2016	4,000,000	17,200	17,200	-	-
M R Richmond	07/12/2016	07/12/2016	4,000,000	17,200	17,200	-	-
A W Bursill	07/12/2016	07/12/2016	4,000,000	17,200	17,200	-	-
L J Owler	07/12/2016	07/12/2016	10,000,000	43,000	43,000	-	-

Remuneration Report (audited) continued

Additional information

The earnings of the group for the five years to 30 June 2017 are summarised below:

	2013	2014	2015	2016	2017
	$	$	$	$	$
Profit/(loss) after income tax	(11,401,172)	(7,779,724)	(6,586,287)	(7,810,060)	(1,476,508)

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

	2013	2014	2015	2016	2017
Share price at financial year end ($)	0.030	0.020	0.006	0.012	0.007
Basic loss per share (cents per share)	(4.330)	(0.725)	(1.484)	(1.592)	(0.251)

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:

Ordinary shares

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals / other	Balance at the end of the year
P J D Elliott	196,082	-	-	-	196,082
L J Owler	1,400,000	-	-	-	1,400,000
A W Bursill	3,049,438	-	-	-	3,049,438
M R Richmond	-	-	1,000,000	-	1,000,000
	4,645,520	-	1,000,000	-	5,645,520

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:

Options over ordinary shares

	Balance at the start of the year	Granted as part of remuneration	Exercised	Expired / forfeited / other	Balance at the end of the year
P J D Elliott	10,666	4,000,000	-	(10,666)	4,000,000
L J Owler	66,666	10,000,000	-	(66,666)	10,000,000
A W Bursill	136,080	4,000,000	-	(136,080)	4,000,000
M R Richmond	-	4,000,000	-	-	4,000,000
	213,412	22,000,000	-	(213,412)	22,000,000

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
10/06/2016*	30/06/2018	$0.020	15,000,000
07/12/2016*	31/12/2018	$0.030	22,000,000
11/07/2017*	31/03/2018	$0.006	127,272,727
			164,272,727

* *Unlisted options*

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 2017 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 19 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 19 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 immediately after this directors' report.

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

29 September 2017

Auditor's Independence Declaration

Ernst & Young
200 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.

As lead auditor for the audit of Argonaut Resources N.L. for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Argonaut Resources N.L. and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
29 September 2017

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 2, Level 10
70 Phillip 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.

Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the company's website: *http://www.argonautresources.com*

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Other income	4	6,242	12,413
Net gain transferred from asset revaluation reserve	14	97,898	-
Expenses			
Employee benefits expense		(453,597)	(461,476)
Office administration expense		(181,377)	(97,771)
Depreciation and amortisation expense		(483)	(1,282)
Impairment of exploration and evaluation asset	10	-	(3,691,968)
Share based payments	5	(313,350)	-
Impairment of financial assets	14	-	(3,120,097)
Reversal of deferred consideration		-	150,000
Exploration costs expensed		(828,642)	-
Other expenses	5	(396,740)	(599,879)
Loss before income tax expense		(2,070,049)	(7,810,060)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Argonaut Resources NL		(2,070,049)	(7,810,060)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of financial assets, net of tax	14	-	3,120,097
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	14	65,066	(354,175)
Revaluation of financial assets, net of tax		(97,898)	(253,530)
Other comprehensive income for the year, net of tax		(32,832)	2,512,392
Total comprehensive income for the year attributable to the owners of Argonaut Resources NL		(2,102,881)	(5,297,668)
		Cents	**Cents**
Basic earnings per share	26	(0.288)	(1.592)
Diluted earnings per share	26	(0.288)	(1.592)

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 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current assets			
Cash and cash equivalents	7	62,015	1,315,631
Trade and other receivables	8	73,565	81,105
Other		36,986	15,395
Total current assets		172,566	1,412,131
Non-current assets			
Financial assets at fair value	9	-	415,856
Property, plant and equipment		14,543	15,026
Intangibles		-	50,000
Exploration and evaluation	10	1,274,796	464,741
Total non-current assets		1,289,339	945,623
Total assets		1,461,905	2,357,754
Liabilities			
Current liabilities			
Trade and other payables	11	590,125	409,384
Employee benefits	12	213,629	169,422
Total current liabilities		803,754	578,806
Total liabilities		803,754	578,806
Net assets		658,151	1,778,948
Equity			
Issued capital	13	43,675,768	42,788,284
Reserves	14	(2,571,083)	(2,632,851)
Accumulated losses		(40,446,534)	(38,376,485)
Total equity		658,151	1,778,948

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 2017

Consolidated	Contributed equity $	Other reserves $	Share based payments reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2015	40,611,465	(5,812,214)	611,080	(30,566,425)	4,843,906
Loss after income tax expense for the year	-	-	-	(7,810,060)	(7,810,060)
Other comprehensive income for the year, net of tax	-	2,512,392	-	-	2,512,392
Total comprehensive income for the year	-	2,512,392	-	(7,810,060)	(5,297,668)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 13)	2,176,819	-	-	-	2,176,819
Share-based payments (note 27)	-	-	55,891	-	55,891
Balance at 30 June 2016	42,788,284	(3,299,822)	666,971	(38,376,485)	1,778,948

Consolidated	Contributed equity $	Other reserves $	Share based payments reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2016	42,788,284	(3,299,822)	666,971	(38,376,485)	1,778,948
Loss after income tax expense for the year	-	-	-	(2,070,049)	(2,070,049)
Other comprehensive income for the year, net of tax	-	(32,832)	-	-	(32,832)
Total comprehensive income for the year	-	(32,832)	-	(2,070,049)	(2,102,881)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 13)	557,019	-	-	-	557,019
Share-based payments (note 5 and 27)	330,465	-	94,600	-	425,065
Balance at 30 June 2017	43,675,768	(3,332,654)	761,571	(40,446,534)	658,151

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 2017

	Note	Consolidated 2017 $	2016 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(895,821)	(960,105)
Interest received		6,242	13,274
Net cash used in operating activities	25	(889,579)	(946,831)
Cash flows from investing activities			
Payments for exploration and evaluation		(1,336,912)	(805,247)
Proceeds from disposal of financial assets		415,856	-
Net cash used in investing activities		(921,056)	(805,247)
Cash flows from financing activities			
Proceeds from issue of shares	13	561,639	2,440,183
Payment for share issue costs		(4,620)	(207,474)
Net cash from financing activities		557,019	2,232,709
Net increase/(decrease) in cash and cash equivalents		(1,253,616)	480,631
Cash and cash equivalents at the beginning of the financial year		1,315,631	835,000
Cash and cash equivalents at the end of the financial year	7	62,015	1,315,631

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 or amended Accounting Standards and Interpretations adopted
The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. No accounting impact resulted from the adoption of the new or amended Accounting Standards and Interpretations.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 $2,070,049 (2016: $7,810,060) and net cash outflows from operating and investing activities of $1,810,636 (2016: $1,752,078) for the year ended 30 June 2017. 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 to fund its current operations through to 30 September 2018. 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 based on past success in raising capital (2016: $2,232,709) and as well as recent share placement completed in July 2017 raising $1.4 million (before cost) and over-subscription of share purchase plan completed August 2017 raising $400,000 (before costs).

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.

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 21.

Note 1. Significant accounting policies (continued)

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 2017 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.

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.

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.

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.

Note 1. Significant accounting policies (continued)

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.

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 the group's 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 the group's 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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

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.

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.

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.

Note 1. Significant accounting policies (continued)

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.

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 wholly 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.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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.

Note 1. Significant accounting policies (continued)

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.

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. Incremental costs may include share-based payments such as options issued to advisers.

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.

Note 1. Significant accounting policies (continued)

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
The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2017, but have not been applied in preparing this financial report.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The group will adopt this standard from 1 January 2018 but the impact of its adoption is likely to be immaterial at this stage as the group does not have any revenue generating operations yet. Currently no decision has been made to date to determine the adoption of the transition method.

AASB 9 Financial Instruments and its consequential amendments
The standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 ‘Financial Instruments: Recognition and Measurement’. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (‘OCI’). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity’s own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use ‘expected credit loss’ (‘ECL’) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018. It is not expected to significantly impact the financial statements on the basis that the main financial assets recognised represent cash and cash equivalent and trade receivables that do not carry a significant financing component and involve a single cash flow representing the repayment of principal, which in the case of trade receivables is the transaction price. Both asset classes will continue to be measured at face value. Other financial asset classes are not material to the consolidated entity. Financial liabilities of the consolidated entity are not impacted as the consolidated entity does not carry them at fair value.

Note 1. Significant accounting policies (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The standard will affect primarily the accounting for the Company’s operating leases. However, management has not yet determined to what extent these commitments will result in the recognition of an asset and liability for future payments and how this will affect the Company’s profit and classification of cash flows.

Some commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB16.

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 2. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

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 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.

Operating segment information

	Australia	Canada	Zambia	Total
Consolidated - 2017	$	$	$	$
Assets				
Exploration assets	669,411	605,385	-	1,274,796
Unallocated assets:				
Cash and cash equivalents				62,015
Other assets				125,094
Total assets				1,461,905
Liabilities				
Unallocated liabilities:				
Current				803,754
Total liabilities				803,754

Note 3. Operating segments (continued)

Consolidated - 2016	Australia $	Canada $	Zambia $	Total $
Assets				
Exploration assets	84,083	430,659	-	514,742
Unallocated assets:				
Cash and cash equivalents				1,315,631
Other assets				527,381
Total assets				2,357,754
Liabilities				
Unallocated liabilities:				
Current				578,806
Total liabilities				578,806

Note 4. Other income

	Consolidated 2017 $	Consolidated 2016 $
Interest	6,242	12,413

Note 5. Expenses

	Consolidated 2017 $	Consolidated 2016 $
Loss before income tax includes the following specific expenses:		
Impairment		
Exploration and evaluation assets	-	3,691,968
Other expenses include:		
Audit, accounting and legal fees	277,183	203,074
Office lease and maintenance	29,200	38,502
Statutory expenses	64,662	40,795
Travelling	25,695	24,679
Total other expenses	396,740	307,050
Share-based payments		
Share-based payments - shares (Note 13)	330,465	-
Share-based payments - options	94,600	-
Less: Share-based payments capitalised as part of exploration and evaluation assets	(111,715)	-
Total share-based payments expense	313,350	-
Employee benefit expense includes:		
Defined contribution superannuation expense	39,791	37,047

Note 6. Income tax benefit

	Consolidated 2017 $	Consolidated 2016 $
Income tax benefit		
Current tax	(673,661)	(396,360)
Deferred tax	191,652	(795,176)
Tax losses (used) / unrecognised	482,009	1,191,536
Aggregate income tax expense	-	-
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax expense	(2,070,049)	(7,810,060)
Tax at the statutory tax rate of 27.5% (2016: 30%)	(569,263)	(2,343,018)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible items	87,254	1,151,482
	(482,009)	(1,191,536)
Tax losses (used) / unrecognised	482,009	1,191,536
Income tax benefit	-	-

Unused income tax losses carried forward to later years are $37,801,073 (2016: $35,243,821) resulting in potential tax benefits of $12,071,566 (2016: $11,368,322) 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 2017 $	Consolidated 2016 $
Deferred tax recognised		
Deferred tax recognised comprises temporary differences attributable to:		
Carry forward tax losses	298,458	490,110
Provisions and accruals	72,577	57,887
Exploration and evaluation	(371,035)	(547,997)
Total deferred tax recognised	-	-

Note 7. Current assets - cash and cash equivalents

	Consolidated 2017 $	Consolidated 2016 $
Cash at bank	62,015	1,315,631

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

Note 8. Current assets - trade and other receivables

	Consolidated 2017 $	Consolidated 2016 $
Other receivables	73,565	81,105

Note 9. Non-current assets - financial assets at fair value

	Consolidated 2017 $	Consolidated 2016 $
Quoted equity securities	-	415,856

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

	2017 $	2016 $
Opening fair value	415,856	669,387
Disposals	(415,856)	-
Revaluation decrements	-	(253,531)
Closing fair value	-	415,856

Refer to note 17 for further information on fair value measurement.

Quoted securities represent 16.7m shares in Cuesta Coal Limited. During the year, the consolidated entity sold all of its shares in Cuesta Coal Limited under a takeover of Longluck Investment (Australia) Pty Ltd.

Note 10. Non-current assets - exploration and evaluation

	Consolidated 2017 $	Consolidated 2016 $
Exploration and evaluation assets - at cost	23,290,826	22,480,771
Less: Impairment	(22,016,030)	(22,016,030)
	1,274,796	464,741

Note 10. Non-current assets - exploration and evaluation (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	Australia $	Canada $	Mwombezhi Zambia $	Total $
Balance at 1 July 2015	1,494,020	-	2,163,288	3,657,308
Expenditure during the year	142,543	430,659	280,373	853,575
Exchange differences	-	-	(354,174)	(354,174)
Impairment of assets	(1,602,481)	-	(2,089,487)	(3,691,968)
Balance at 30 June 2016	34,082	430,659	-	464,741
Transfer from intangible assets *	50,000	-	-	50,000
Expenditure during the year	585,329	174,726	-	760,055
Balance at 30 June 2017	669,411	605,385	-	1,274,796

* In prior period, the Torren Project was recognised as an intangible asset as the native title was yet to be granted - this was granted in 2017 and therefore the intangible asset had been reclassified to exploration asset.

The Directors had reviewed the current market conditions relating to commodity prices and exploration results and the carrying value as at 30 June 2017 represents the Directors' view of these assets, which are expected to be recovered.

Note 11. Current liabilities - trade and other payables

	Consolidated 2017 $	Consolidated 2016 $
Trade payables	322,441	263,876
Other payables	267,684	145,508
	590,125	409,384

Refer to note 16 for further information on financial instruments.

Note 12. Current liabilities - employee benefits

	Consolidated 2017 $	Consolidated 2016 $
Annual leave	130,297	95,866
Long service leave	83,332	73,556
	213,629	169,422

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.

Note 12. Current liabilities - employee benefits (continued)

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

	Consolidated 2017 $	2016 $
Employee benefits obligation expected to be settled after 12 months	83,332	73,566

Note 13. Equity - issued capital

	Consolidated			
	2017 Shares	2016 Shares	2017 $	2016 $
Ordinary shares - fully paid	813,851,672	654,340,318	43,675,768	42,788,284

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2015	443,791,701		40,611,465
Issue of shares - placement	30 March 2016	110,900,000	$0.012	1,330,800
Issue of shares - rights issue	20 April 2016	92,448,617	$0.012	1,109,383
Issue of shares - share based payment	10 June 2016	7,200,000	$0.012	86,400
Share issue costs		-	$0.000	(349,764)
Balance	30 June 2016	654,340,318		42,788,284
Issue of shares - share based payment – exploration asset	14 December 2016	10,285,774	$0.006	61,715
Issue of shares - share based payment – exploration asset	9 February 2017	7,974,700	$0.006	50,000
Issue of shares - placement	9 February 2017	110,000,007	$0.005	491,584
Issue of shares - share based payment	9 February 2017	31,250,000	$0.007	218,750
Issue of shares - exercise of options	31 March 2017	873	$0.063	55
Issue of shares - placement (completion in July) *	16 June 2017	-	$0.000	70,000
Share issue costs		-	$0.000	(4,620)
Balance	30 June 2017	813,851,672		43,675,768

* the Company has received cash transfer for placement to be completed in July.

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.

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.

Note 13. Equity - issued capital (continued)

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

Note 14. Equity - reserves

	Consolidated 2017 $	Consolidated 2016 $
Foreign currency reserve	(1,745,567)	(1,810,633)
Share-based payments reserve	761,571	666,971
Revaluation reserve	-	97,898
Transaction between shareholders reserve	(1,587,087)	(1,587,087)
	(2,571,083)	(2,632,851)

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.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

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

Consolidated	Foreign currency reserve $	Share-based payment reserve $	Revaluation reserve $	Transaction between shareholders reserve $	Total $
Balance at 1 July 2015	(1,456,458)	611,080	(2,768,669)	(1,587,087)	(5,201,134)
Revaluation - gross	-	-	(253,530)	-	(253,530)
Foreign currency translation	(354,175)	-	-	-	(354,175)
Share-based payments	-	55,891	-	-	55,891
Impairment transferred to profit or loss	-	-	3,120,097	-	3,120,097
Balance at 30 June 2016	(1,810,633)	666,971	97,898	(1,587,087)	(2,632,851)
Foreign currency translation	65,066	-	-	-	65,066
Reclassified to profit or loss *	-	-	(97,898)	-	(97,898)
Share-based payments	-	94,600	-	-	94,600
Balance at 30 June 2017	(1,745,567)	761,571	-	(1,587,087)	(2,571,083)

* Reclassified to profit or loss on sale of the financial assets at fair value.

Note 15. Equity - dividends

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

Note 16. Financial instruments

Financial risk management objectives
The group's activities expose it to a variety of financial risks: market risk (including foreign currency 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 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.

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.

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 movement in interest rate is not considered to be material to the group's profit or loss.

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) to be able to pay debts as and when they become due and payable. The group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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.

Note 16. Financial instruments (continued)

Consolidated - 2017	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	-	322,441	-	-	-	322,441
Other payables	-	267,684	-	-	-	267,684
Total non-derivatives		590,125	-	-	-	590,125

Consolidated - 2016	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	-	263,876	-	-	-	263,876
Other payables	-	145,508	-	-	-	145,508
Total non-derivatives		409,384	-	-	-	409,384

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 17. 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 - 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity shares	-	415,856	-	415,856
Total assets	-	415,856	-	415,856

The company's investment in Cuesta Coal shares has been transferred from level 1 to level 2 to reflect the inactive market at 30 June 2016 (as the shares were subject to trading halt since 10 June 2016 and was only re-listed on 6 July 2016). These shares were subsequently sold during the year ended 30 June 2017.

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 18. 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	
	2017 $	2016 $
Short-term employee benefits	460,000	399,546
Post-employment benefits	23,750	21,969
Long-term benefits	9,776	4,308
Share-based payments	94,600	-
	588,126	425,823

Note 19. 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	
	2017 $	2016 $
Audit services - Ernst & Young		
Audit or review of the financial statements	40,000	40,000
Other services - Ernst & Young		
Preparation of the tax return and tax related services	6,400	6,400
	46,400	46,400

Note 20. Related party transactions

Parent entity
Argonaut Resources NL is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Joint operations
Interests in joint operations are set out in note 23.

Key management personnel
Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the directors' report.

Note 20. Related party transactions (continued)

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

	Consolidated	
	2017	2016
	$	$
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	131,018	148,065

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.

Loans to/from related parties
There were no loan to/from related parties at the current and previous reporting date.

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

Note 21. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2017	2016
	$	$
Loss after income tax	(1,824,783)	(11,327,385)
Total comprehensive income	(1,824,783)	(11,327,385)

Note 21. Parent entity information (continued)

Statement of financial position

	Parent 2017 $	Parent 2016 $
Total current assets	696,653	1,700,615
Total assets	1,214,282	2,084,811
Total current liabilities	627,972	484,348
Total liabilities	627,972	557,904
Equity		
Issued capital	43,675,768	42,788,284
Share-based payments reserve	761,571	666,971
Revaluation reserve	-	97,898
Accumulated losses	(43,851,029)	(42,026,246)
Total equity	586,310	1,526,907

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 2017 and 30 June 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at 30 June 2017 and 30 June 2016.

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 22. 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 2017 %	Ownership interest 2016 %
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%
Prospect Exploration & Mining Limited *	British Virgin Islands	-	85.50%
Sunrise International Resources Limited *	British Virgin Islands	-	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%
Mwombezhi Resources Limited	Zambia	90.00%	90.00%
Sunrise Canada Inc	Canada	100.00%	100.00%

Note 22. Interests in subsidiaries (continued)

* These companies had been deregistered.

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

Note 23. Interests in joint operations

Information relating to joint operations are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2017 %	2016 %
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%
16121-HQ-LPL Lumwana West ***	Zambia - Copper	90.00%	65.00%

* 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.

*** 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 US$1.8 million on exploration and by paying the original shareholders of Mwombezhi Resources Ltd a milestone payment of US$600,000.

Note 24. Events after the reporting period

On 11 July 2017 Argonaut announced that the Company has successfully completed a Private Placement (Placement) of 254,545,448 fully paid ordinary shares and 127,272,727 unlisted attaching options, exercise price $0.0055. The options can be exercised between 31 December 2017 and 31 March 2018 as long as the option holder, at both 31 December 2017 and upon exercise, holds at least the same number of shares (existing and Placement shares), as at the date of issue of shares pursuant to the Placement. This Placement was made to sophisticated and professional investors at a price of $0.0055 per share, raising a total of A$1.4 million (before costs).

On 12 July 2017 the Company undertook a non-underwritten Share Purchase Plan (SPP or Plan). The SPP issue price for each new share was $0.006. On 1 August 2017, the Company announce that the SPP has closed oversubscribed and issued 66,666,632 new ordinary shares raising approximately $400,000 (before costs).

On 19 July 2017, 47 ordinary shares were issued on conversion of options at an exercise price of $0.06 per share.

No other matter or circumstance has arisen since 30 June 2017 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 25. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2017 $	Consolidated 2016 $
Loss after income tax expense for the year	(2,070,049)	(7,810,060)
Adjustments for:		
Depreciation and amortisation	483	1,282
Impairment of non-current assets	-	3,691,968
Share-based payments	313,350	-
Net gain transferred from asset revaluation reserve	(97,898)	-
Impairment of financial assets	-	3,120,097
Reversal of deferred consideration	-	(150,000)
Tenement expensed to profit or loss	828,642	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(14,054)	27,527
Increase in trade and other payables	149,947	172,355
Net cash used in operating activities	(889,579)	(946,831)

Note 26. Earnings per share

	Consolidated 2017 $	Consolidated 2016 $
Loss after income tax attributable to the owners of Argonaut Resources NL	(2,070,049)	(7,810,060)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	718,002,941	490,570,937
Weighted average number of ordinary shares used in calculating diluted earnings per share	718,002,941	490,570,937
	Cents	**Cents**
Basic earnings per share	(0.288)	(1.592)
Diluted earnings per share	(0.288)	(1.592)

There are approximately 37 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 27. 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.

Note 27. Share-based payments (continued)

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

2017

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
10/06/2016	30/06/2019	$0.020	15,000,000	-	-	-	15,000,000
14/12/2016	31/12/2021	$0.030	-	22,000,000	-	-	22,000,000
			15,000,000	22,000,000	-	-	37,000,000

2016

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)	-
10/06/2016	30/06/2019	$0.020	-	15,000,000	-	-	15,000,000
			7,000,000	15,000,000	-	(7,000,000)	15,000,000

The options above are exercisable at the end of the financial year.

The weighted average remaining contractual life of options outstanding as at the end of the financial year was 3.5 years (2016: 3.0 years).

The average exercise price of options outstanding as at the end of the financial year was $0.026 (2016: $0.020).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
14/12/2016	31/12/2021	$0.006	$0.030	130.00%	-	1.61%	$0.004

Note that the option above has been granted to the company's adviser in relation to capital raising exercise carried during the year. The above costs has been recognised as an equity transaction costs.

During the year, the group has also issued shares to various suppliers in relation to the supply of services. The fair value of the shares were determined using the market value of the date the shares were granted. Details of the shares issued in relation to these share-based arrangement and fair value (issued price) are disclosed in Note 13.

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 2017 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

29 September 2017

Independent Auditor's Report to the Members of Argonaut Resources NL

Ernst & Young
200 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

Building a better working world

Independent Auditor's Report to the Members of Argonaut Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Argonaut Resources NL (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubts about the entity's ability to continue as a going concern. These conditions along with other matters disclosed in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying Value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
Capitalised exploration and evaluation assets represent 87% of the Group's total assets. The carrying value of exploration and evaluation assets is impacted by the Group's ability, and intention, to continue to explore their exploration assets. The results of exploration work also determines to what extent the mineral reserves and resources may or may not be commercially viable for extraction. Due to the significance of this asset and the subjectivity involved in determining its carrying value, this is a key audit matter. Refer to Note 10 - Exploration and evaluation assets to the financial statements for the amounts held on the Balance sheet by the Group as at 30 June 2017 and related disclosure.	Our procedures to address the Group's assessment of the carrying value of exploration and evaluation assets included: ▸ Consideration of the Company's right to explore in the relevant exploration areas which included obtaining and assessing relevant documentation such as license agreements. ▸ Agreed a sample of costs capitalised for the period to supporting documentation and considered whether these costs meet the requirements of Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources* and the Company's accounting policy. ▸ Consideration of the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included an assessment of the Group's cash-flow forecast models and discussions with senior management and Directors as to the intentions and strategy of the Group.

Building a better working world

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2017 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Building a better working world

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 16 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Argonaut Resources NL for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
29 September 2017

Shareholder Information

The shareholder information set out below was applicable as at 21 September 2017.

Distribution of equitable securities

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

No. of Holders:	Ordinary Shares	Unlisted Options Exercise price $0.020, Expiry 30/06/2019	Unlisted Attaching Options Exercise price $0.0055, Expiry 31/03/2018, vesting 31/12/2017	Unlisted Options Exercise price $0.03, Expiry 31/12/2021
1 to 1,000	1,494	-	-	-
1,001 to 5,000	522	-	-	-
5,001 to 10,000	288	-	-	-
10,001 to 100,000	831	-	-	-
100,001 and over	733	2	36	4
Total	**3,868**	**2**	**36**	**4**
Holding less than a marketable parcel	2,773	-	-	-

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	67,362,421	5.93
CLELAND PROJECTS PTY LTD	53,435,834	4.71
MR DAMIEN MICHAEL HUDSON	44,000,000	3.88
MS SARAH JANE LOUISE FRANKS	31,033,118	2.73
POAL PTY LTD	21,340,909	1.88
BARON NOMINEES PTY LTD	20,833,333	1.84
BESTFIELD COMPANY	20,791,302	1.83
MR ADAM JAMES LIENERT	18,181,819	1.60
ANTESS PTY LTD	17,671,655	1.56
OSIRIS CAPITAL INVESTMENTS PTY LTD	15,000,000	1.32
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,021,661	1.24
YERONDA NOMINEES PTY LTD	13,960,938	1.23
GRANBOROUGH PTY LTD	13,500,000	1.19
GLENEDEN NOMINEES PTY LTD	13,315,160	1.17
ENDEAVOUR RESOURCES PTY LTD	12,580,009	1.11
PERSHING AUSTRALIA NOMINEES PTY LTD	11,776,812	1.04
MR DAVID SLYKERMAN	11,000,000	0.97
MR JEFFERY JAMOO	10,729,042	0.95
ENOBAT PTY LTD	9,790,765	0.86
EXERTUS CAPITAL PTY LTD	9,204,545	0.81
	429,529,323	37.84

Options over

Unquoted equity securities

$0.0055 UNLISTED ATTACHING OPTIONS, EXPIRY 31/03/2018, VESTING 31/02/2017	127,272,727
$0.020 UNLISTED OPTIONS EXPIRY 30/06/2019	15,000,000
$0.03 UNLISTED OPTIONS, EXPIRY 31/12/2021	22,000,000

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

Name	Class	Number held
TAYCOL NOMINEES PTY LTD	$0.0200 UNLISTED OPTIONS EXPIRY 30/06/2019	7,500,000
CLELAND PROJECTS PTY LTD	$0.0200 UNLISTED OPTIONS EXPIRY 30/06/2019	7,500,000
LINDSAY OWLER	$0.03 UNLISTED OPTIONS, EXPIRY 31/12/2021	10,000,000
PATRICK JD ELLIOTT	$0.03 UNLISTED OPTIONS, EXPIRY 31/12/2021	4,000,000
MALCOLM RICHMOND	$0.03 UNLISTED OPTIONS, EXPIRY 31/12/2021	4,000,000
BJ RETAIL PTY LTD <JAMSI A/C>	$0.03 UNLISTED OPTIONS, EXPIRY 31/12/2021	4,000,000

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held
CLELAND PROJECTS PTY LTD & MR ADAM JAMES LIENERT	71,617,653

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 options do not carry any voting rights.

ASX Listing Rule 3.13.1 and 14.3

The Annual General Meeting is scheduled to be held on 3 November 2017.

ASX Waiver

On 3 March 2017 the Company was granted a waiver from the ASX. The waiver provide an exemption from Listing Rule 6.24 in relation to Listed Options.

Tenement Schedule

Table 1: Summary of mining tenements

South Australian Mineral Exploration Licences

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
EL 5998	21/05/2017	20/05/2019	33	Campfire Bore	Coombedown Resources Pty Ltd	10%[1]
EL 5212	05/11/2012	04/11/2017	481	Alford	Kelaray Pty Ltd	100%
EL 5336	04/06/2013	03/06/2018	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	03/11/2019	27	Mt Parry	Kelaray Pty Ltd	100%
EL 5732	18/10/2015	17/10/2017	104	Sandstone	Coombedown Resources Pty Ltd	10%[1]
EL 5798	02/06/2016	01/06/2018	997	Lake Blanche area	Kelaray Pty Ltd	100%
EL 5796	02/06/2016	01/06/2018	997	Petermorra Creek area	Kelaray Pty Ltd	100%
EL 5829	16/08/2016	15/08/2018	893	Lake Callabonna	Kelaray Pty Ltd	100%
EL 5937	30/03/2017	29/03/2019	794	West Lake Torrens	Kelaray Pty Ltd	100%
EL5945	20/04/2017	19/04/2019	221	Murdie	Kelaray Pty Ltd	100%

Queensland Mining Lease

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
ML 5631	16/05/1974	31/05/2026	0.32	Kroombit	Kelaray Pty Ltd	100%

Queensland Mineral Development Licence

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
MDL 2002	03/08/2016	02/08/2021	0.64	Kroombit	Kelaray Pty Ltd	100%

Zambian Large Scale Prospecting Licences

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
16121-HQ-LEL	21/07/2011	20/07/2018	571	North Western Province	Mwombezhi Resources Ltd	90%

Ontario Unpatented Mining Claims

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
4244211[2]	27/10/2008	27/10/2017	1.94	Crescent Lake - Zigzag	Canadian Orebodies Inc.	100%
4244212[2]	27/10/2008	27/10/2017	2.56	Crescent Lake - Zigzag	Canadian Orebodies Inc.	100%
4244213[2]	27/10/2008	27/10/2017	2.56	Crescent Lake - Zigzag	Canadian Orebodies Inc.	100%
4252421[2]	09/12/2009	09/12/2017	2.56	Crescent Lake - Zigzag	Canadian Orebodies Inc.	100%
4213186[2]	24/09/2009	24/09/2017	2.56	Crescent Lake - Zigzag	Canadian Orebodies Inc.	100%
4213187[2]	24/09/2009	24/09/2017	2.24	Crescent Lake - Zigzag	Canadian Orebodies Inc.	100%
4229526[2]	24/09/2009	24/09/2017	1.93	Crescent Lake - Zigzag	Canadian Orebodies Inc.	100%
4252441[2]	09/12/2009	09/12/2017	1.33	Crescent Lake - Falcon Lake	Canadian Orebodies Inc.	100%
4252442[2]	09/12/2009	09/12/2017	0.64	Crescent Lake - Falcon Lake	Canadian Orebodies Inc.	100%
4250593[2]	17/07/2009	17/07/2018	2.56	Crescent Lake - Falcon Lake	Canadian Orebodies Inc.	100%
4250594[2]	17/07/2009	17/07/2018	2.56	Crescent Lake - Falcon Lake	Canadian Orebodies Inc.	100%
4250595[2]	17/07/2009	17/07/2018	2.56	Crescent Lake - Falcon Lake	Canadian Orebodies Inc.	100%
4276304[2]	22/03/2016	22/03/2018	2.53	Greenbush Lake	Canadian Orebodies Inc.	100%

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
4276305[2]	22/03/2016	22/03/2018	2.39	Greenbush Lake	Canadian Orebodies Inc.	100%
4276306[2]	22/03/2016	22/03/2018	2.56	Greenbush Lake	Canadian Orebodies Inc.	100%
4282315	01/04/2016	01/04/2018	2.55	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282316	01/04/2016	01/04/2018	2.55	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282317	01/04/2016	01/04/2018	2.52	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282318	01/04/2016	01/04/2018	2.52	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282319	01/04/2016	01/04/2018	2.52	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282320	01/04/2016	01/04/2018	2.55	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282321	01/04/2016	01/04/2018	2.55	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282322	01/04/2016	01/04/2018	2.55	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282323	01/04/2016	01/04/2018	2.51	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282324	01/04/2016	01/04/2018	2.55	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282325	01/04/2016	01/04/2018	2.55	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282326	01/04/2016	01/04/2018	2.51	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282327	01/04/2016	01/04/2018	2.4	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282328	01/04/2016	01/04/2018	2.55	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282329	01/04/2016	01/04/2018	2.53	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282330	01/04/2016	01/04/2018	2.42	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282331	01/04/2016	01/04/2018	1.47	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282332	01/04/2016	01/04/2018	2.3	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282333	01/04/2016	01/04/2018	2.51	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282334	01/04/2016	01/04/2018	2.59	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282335	01/04/2016	01/04/2018	2.52	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4282336	01/04/2016	01/04/2018	2.49	Crescent Lake - North Jackfish	Sunrise Canada Inc.	100%
4279256	15/04/2016	15/04/2018	2.53	Superb Lake	Sunrise Canada Inc.	100%
4279257	15/04/2016	15/04/2018	2.55	Superb Lake	Sunrise Canada Inc.	100%
4279258	15/04/2016	15/04/2018	2.55	Superb Lake	Sunrise Canada Inc.	100%
4279259	15/04/2016	15/04/2018	2.55	Superb Lake	Sunrise Canada Inc.	100%
4279260	15/04/2016	15/04/2018	2.55	Superb Lake	Sunrise Canada Inc.	100%
4279261	15/04/2016	15/04/2018	2.57	Superb Lake	Sunrise Canada Inc.	100%
4279262	15/04/2016	15/04/2018	2.56	Superb Lake	Sunrise Canada Inc.	100%
4279263	15/04/2016	15/04/2018	2.55	Superb Lake	Sunrise Canada Inc.	100%
4279264	15/04/2016	15/04/2018	2.55	Superb Lake	Sunrise Canada Inc.	100%
4279265	15/04/2016	15/04/2018	2.55	Superb Lake	Sunrise Canada Inc.	100%

Western Australian Mineral Exploration Licences

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
E28/2513[2]	06/07/2016	05/07/2021	64	Torquata	Loded Dog Prospecting Pty Ltd	100%
E15/1484[2]	18/07/2016	17/07/2021	12	Mount Eaton	Loded Dog Prospecting Pty Ltd	100%
P63/2071[2]	24/04/2017	23/04/2021	1.37	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
P63/2072[2]	24/04/2017	23/04/2021	1.27	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
P63/2073[2]	24/04/2017	23/04/2021	1.54	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
E15/1509[2]	03/05/2017	02/05/2022	3	Eundynie	Loded Dog Prospecting Pty Ltd	100%
E 15/1510[2]	08/05/2017	07/05/2022	3	Eundynie	Loded Dog Prospecting Pty Ltd	100%
E 63/1773[2]	08/05/2017	07/05/2022	21	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%
E15/1523[2]	08/05/2017	07/05/2022	42	Higginsville	Loded Dog Prospecting Pty Ltd	100%
E 15/1540[2]	17/05/2017	16/05/2022	9	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P15/6030[2]	25/05/2017	24/05/2022	1.2	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P15/6031[2]	25/05/2017	24/05/2022	1.2	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P15/6032[2]	25/05/2017	24/05/2022	1.2	Higginsville	Loded Dog Prospecting Pty Ltd	100%

Western Australian Mineral Exploration Licence Applications

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
P15/6029[2]			1.2	Higginsville	Loded Dog Prospecting Pty Ltd	100%
E15/1489[2]			52	Higginsville	Loded Dog Prospecting Pty Ltd	100%
E15/1588[2]			61	Higginsville	Loded Dog Prospecting Pty Ltd	100%
P63/2077[2]			0.7	Hayes Hill	Loded Dog Prospecting Pty Ltd	100%

Table 2: Summary of mining tenements acquired in Quarter

No tenements were acquired in the June 2017 Quarter.

Table 3: Summary of mining tenements surrendered in Quarter

No tenements were surrendered in the June 2017 Quarter.

---

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

2 *Under option agreement*

3 *Renewal application*

Argonaut
RESOURCES NL