Argonaut
RESOURCES NL
ABN 97 008 084 848

ANNUAL REPORT
2023

Corporate directory

Argonaut Resources NL
ABN 97 008 084 848

Directors

P J D Elliott, Chairman

L J Owler, Managing Director
retired 31 July 2023

A W Bursill, Non-executive Director

M R Billing, Non-executive Director,
appointed 3 August 2021, appointed as an
Executive Director on 20 June 2023

Company Secretary

J E Morbey – retired 29 August 2023
R W C Willson – appointed 29 August 2023

Registered office

Level 6, 100 Pirie Street
Adelaide SA 5000

Telephone: +61 8 8231 0381
Facsimile: +61 8 8359 2214

Share register

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

Telephone: 1300 737 760 (within Australia)
Telephone: +61 2 9290 9600 (outside Australia)

Web: *www.boardroomlimited.com.au*

Shareholder access: *www.investorserve.com.au*

Auditor

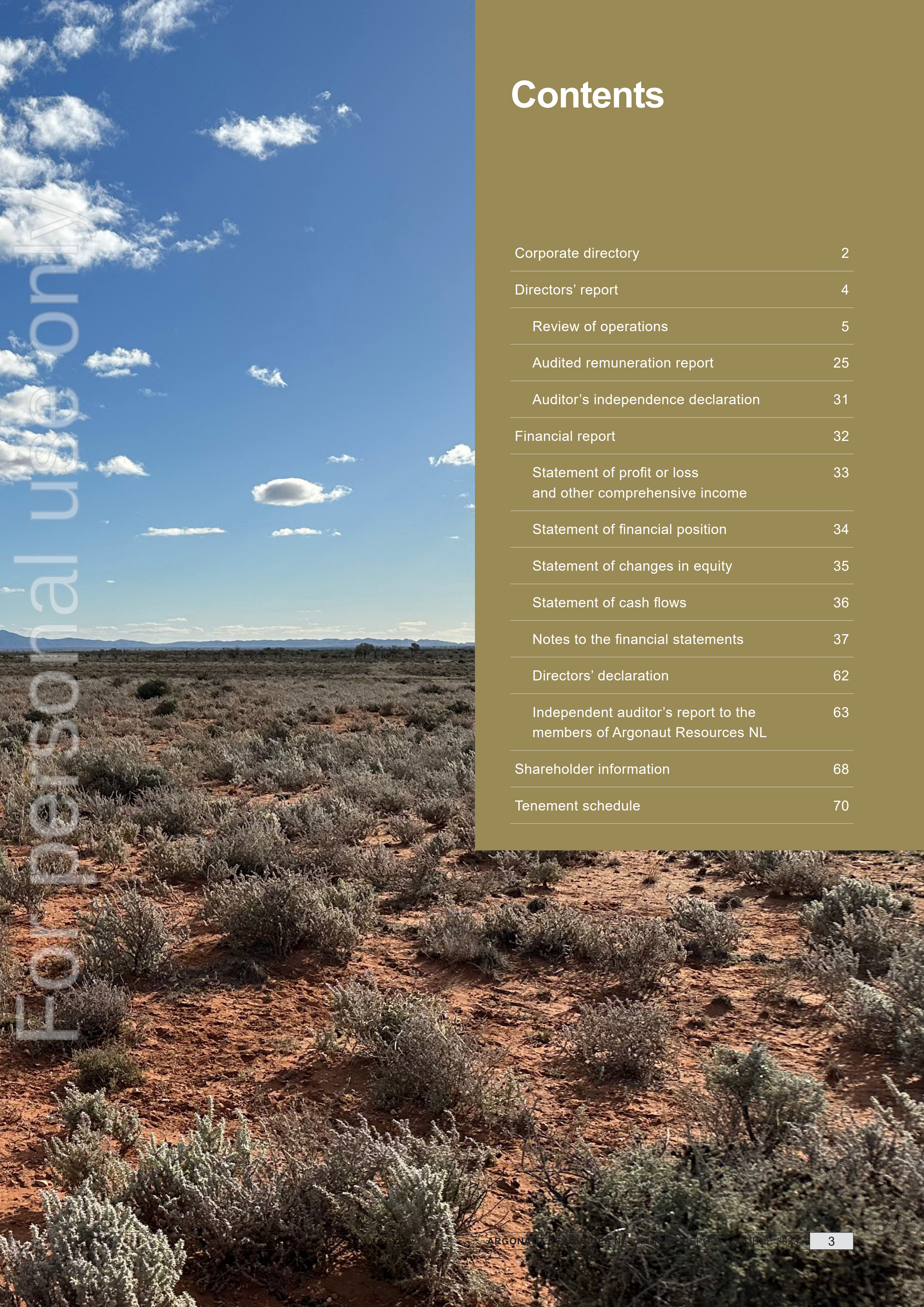
Ernst & Young
121 King William Street
Adelaide SA 5000

Stock exchange listing

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

Website

www.argonautresources.com



Contents

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 2023.

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 – retired 31 July 2023

A W Bursill

M R Billing

PRINCIPAL ACTIVITIES

Argonaut Resources NL is a mineral exploration and development company with operations in Australia and Zambia. The consolidated entity's prime commodity focus is uranium, copper and lithium, and to a lesser extent gold. In addition, the consolidated entity holds a 100% interest in a zinc-copper resource in Queensland, Australia. The company made an announcement on 3 July 2023 that following review of exploration strategy and projects by the board of Argonaut, the Company has elected to shift its strategic direction to focus principally on its Australian uranium assets.

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 OPERATIONS

The loss for the group after providing for income tax amounted to $2,201,561. (30 June 2022: $9,840,941).

Review of operations

Australia

Uranium Assets, SA and NT

Commodities: Uranium
Argonaut interest: 67%
Operator: Orpheus Minerals Ltd

Argonaut acquired a substantial package of prospective uranium exploration licences in South Australia and the Northern Territory. Argonaut holds these assets via a 67% held, unlisted public company, Orpheus Minerals Ltd (Orpheus).

Following review of the exploration strategy and projects by the board of Argonaut, the Company has elected to shift its strategic direction to focus principally on these Australian uranium assets.

In South Australia there are three key project areas: Frome, Cummins and Marree (Figure 1).

- Frome Embayment, SA
  – Beverley and Honeymoon-style sandstone-hosted, roll front targets:
  - Frome Downs – 960 km^2;
  - Curnamona – 947 km^2;
  - Erudina – 987 km^2; and
  - Billeroo – 143 km^2.
- Cummins, SA
  – sandstone-hosted, roll front targets:
  - Cummins – 952 km^2.
- Marree, SA
  – Beverley and Honeymoon-style sandstone-hosted, roll front targets:
  - Mundowdna – 998 km^2;
  - Muloorina – 990 km^2; and
  - Clayton – 978 km^2.

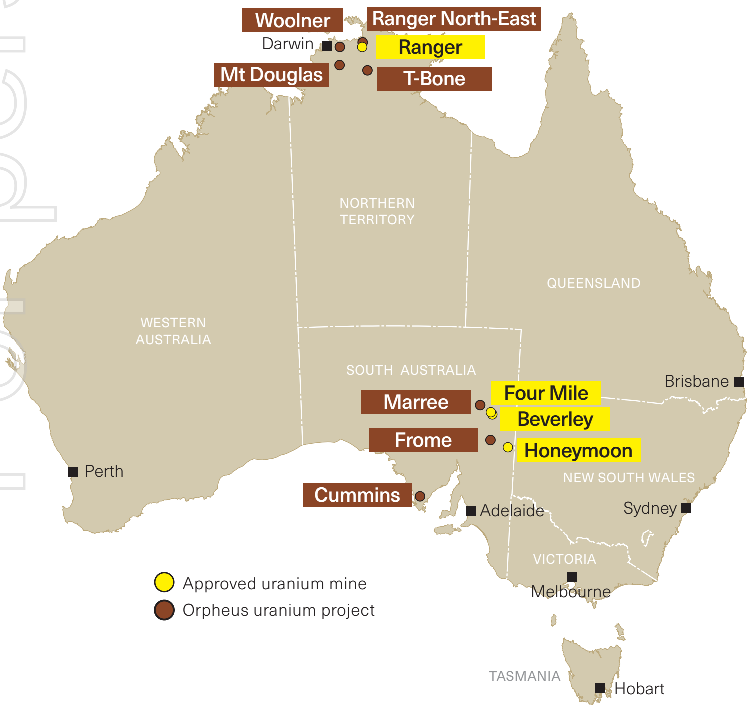


Figure 1 *Location map of Orpheus Minerals' uranium assets.*

In Northern Territory there are four key project areas: Mount Douglas, Woolner, Alligator Rivers Uranium Field and South Alligator Valley Mineral Field (Figure 1).

- Mount Douglas, NT
  – Argonaut has acquired the Mount Douglas exploration licence that contains hard rock uranium targets near the base of the Kombolgie Sandstone.
  - Mount Douglas – 484 km^2;
  - Mount Douglas (Ban Ban) – 103 km^2; and
  - Mount Douglas (Mary River) – 127 km^2.
- Woolner, NT
  – unconformity-related and structurally controlled uranium covered by two licence applications.
  - Marakai – 458 km^2; and
  - Woolner – 473 km^2.
- Alligator Rivers Uranium Field, NT
  – Ranger-style unconformity related targets:
  - Ranger North-East – 64 km^2.
- South Alligator Valley Mineral Field
  – unconformity related targets near Coronation Hill deposit:
  - T-Bone – 230 km^2.

Australia

FROME PROJECT, SOUTH AUSTRALIA

The Frome project is comprised of four highly prospective exploration licences in the Frome Embayment area of South Australia which is arguably the most prospective region in Australia for sandstone-hosted uranium deposits.

The licences at Frome cover sandstone-bearing palaeochannels that contain groundwater that drains from uranium-bearing granite (Figure 2). Previous drilling of these palaeochannels confirms the presence of excellent sandstone aquifers at or near the base of the channels. These sandstone aquifers are 4m to 20m thick (typically 10-12m) and contain the necessary permeable coarse sands.

These basal sandstones have been shown to contain both oxidised, uranium-bearing zones and reduced zones. Work by Orpheus has inferred 12 kilometres of redox front within palaeochannels along which high priority exploration is necessary.

Uranium rich source rocks, a permeable sandstone aquifer to carry the oxidised, uranium bearing groundwater, and the introduction of a reductant along faults from a lower, hydrocarbon-bearing aquifer are all key technical characteristics required in this geological environment for potential economic uranium deposits.

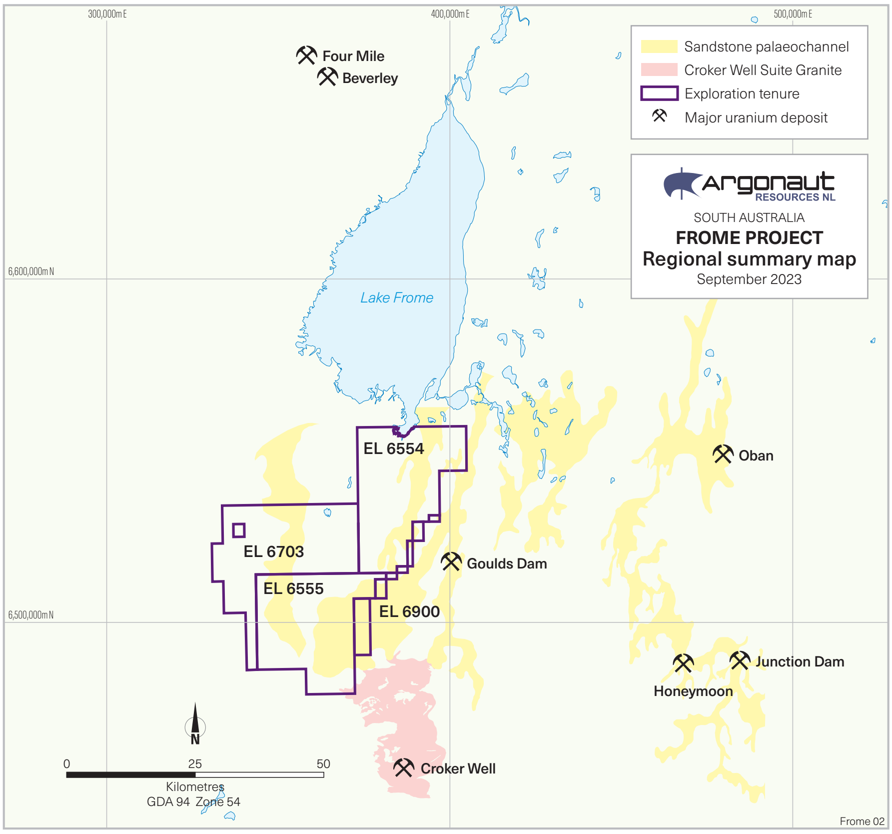


Figure 2 *Frome project tenement locations and major uranium deposits*

Prospectivity

Orpheus is applying the "two fluids" model for uranium roll front deposits (Figure 3) which involves oxidised, uranium bearing groundwater (Fluid 1) flowing along the permeable sandstone units until it encounters reducing groundwaters which have leaked upwards through faults from deeper, hydrocarbon-bearing aquifers (Fluid 2). The interface of these fluids creates a redox front that can trap and concentrate uranium.

Geology

As stated above, uranium accumulation as a consequence of the two fluids model requires three principal elements: uranium rich source rocks, a permeable sandstone aquifer to carry the oxidised, uranium bearing groundwater, and the introduction of a reductant up faults from a lower, hydrocarbon-bearing aquifer.

At the Frome project area, we see the following geological units:

- The Eyre Formation (Honeymoon and Goulds Dam deposits) and Namba Formation (Beverley deposit) palaeochannels. These units are contained in the Callabonna Sub-basin of the Curnamona Province.

Australia

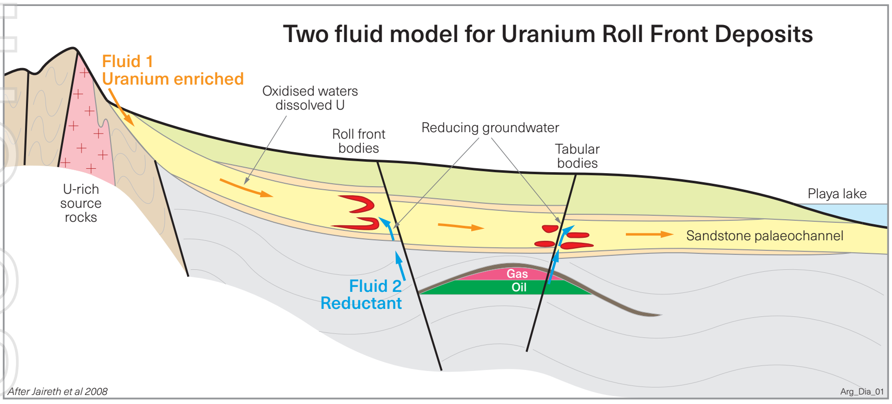


Figure 3 *Diagram showing two fluid model. Uranium is carried in oxidised groundwaters and reduced by hydrocarbons and/or H^2S released from the underlying hydrocarbons. Both roll–front and tabular ore bodies can result from the process. After Jaireth et al 2008.*

- The underlying Arrowie Basin, which includes the hydrocarbon-bearing Wilkawillina Limestone unit.
- The Crocker Well Suite granite (Figure 4) which is an excellent uranium source rock and displays a strong radiometric anomaly where it outcrops.
- Faults that cut both the Arrowie Basin sediments and the overlying Eyre and Namba Formations.

Exploration

Orpheus has compiled and interpreted all existing data. The data is encouraging in that it points towards numerous opportunities for the discovery of sandstone-hosted uranium. Work will proceed in several phases:

1. Palaeochannel and fault interpretation via existing aeromagnetic and airborne EM data.
2. Acquisition and interpretation of new, detailed airborne EM data and passive seismic data.
3. Drilling of high priority targets (Figure 4).
4. Drilling of regional, early-stage targets (Figure 4).

Orpheus has commenced the permitting process required for drilling.

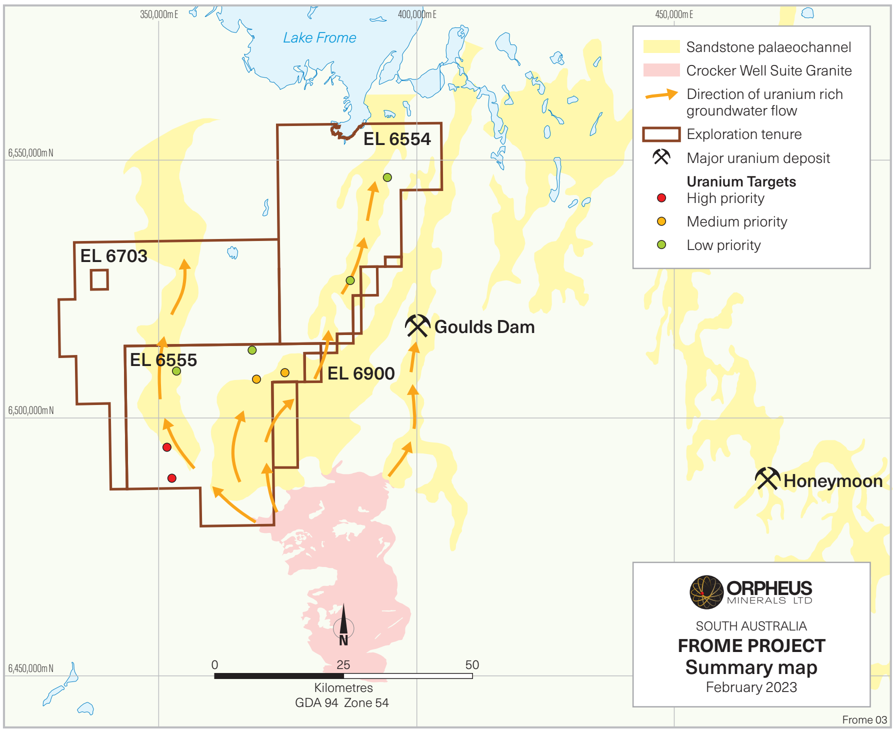


Figure 4 *Frome Project licences with Eyre Formation sandstone palaeochannels – which have been shown to host uranium deposits – and the Crocker Well Suite granite which is a uranium-bearing source rock from which oxidised groundwater can flow through the palaeochannels until it encounters a reducing environment where it can form concentrated uranium deposits.*

Australia

CUMMINS PROJECT, SOUTH AUSTRALIA

The Cummins project comprises a single exploration licence EL 6624, granted 23 July 2021 for a period of six years. The exploration target is sediment hosted uranium mineralisation developed within Tertiary sedimentary strata of the Cummins-Wanilla Basin, located on the southern Eyre Peninsula. The Basin is underlain by granitoids and gneisses of the Archaean Sleaford Complex and is bounded to the east by Paleoproterozoic Hutchison Group metasediments.

Reviewed and interpreted drilling data was combined with the available geophysical datasets to produce a depth to basement model and a plan of interpreted structural features. The Cummins-Wanilla Basin is interpreted to occupy a south-southwest – north-northeast oriented palaeovalley in the south of EL6624 that follows an arc to the west to form a broader northeast-southwest oriented basin in the northern portion of the EL.

A conceptual model of uranium bearing-fluid movement through the basin, from Dutton Suite granitoids (Sleaford Complex) source rocks to the north and west, through the Tertiary sequence host rocks of the Cummins-Wanilla Basin is presented (Figure 5).

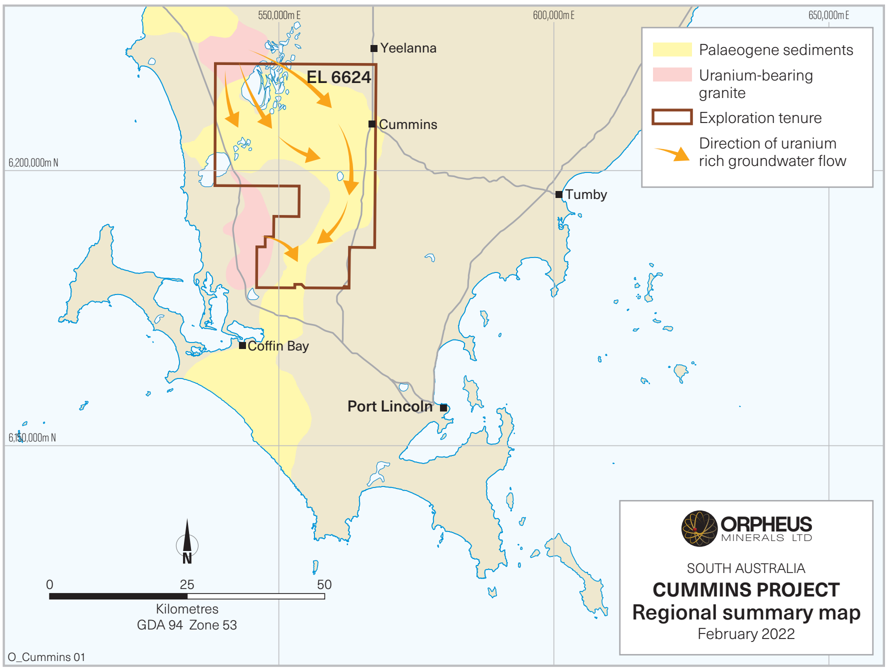


Figure 5 *Cummins project conceptual model of uranium-bearing fluid movement from Dutton Suite granitoids in the north and west, southward and eastward through the Cummins-Wanilla Basin.*

MARREE PROJECT, SOUTH AUSTRALIA

The Marree project is considered highly prospective for roll-front, sedimentary-hosted uranium mineralisation associated with Tertiary and/or Permian palaeochannels. The region is situated approximately 70 kilometres northwest of the significantly radiogenic region of the Mount Painter Uranium Field host to the Mount Gee hard rock uranium deposits and Beverley sediment-hosted Tertiary palaeochannel uranium deposits (Figure 6).

The mineralisation model at the Marree project comprises both sediment-hosted and silcrete-hosted uranium mineralisation within Tertiary sediments including the Eocene Eyre Formation and Miocene Namba Formation, both of which are known to host uranium mineralisation at Honeymoon (Eyre Formation) and Beverley (Namba Formation) deposits. Locally, at the nearby Jubilee prospect, uranium mineralisation is contained within silicified sandstone units of the Eyre Formation, at shallow depths of ~25 metres within a palaeochannel feature.

MOUNT DOUGLAS, NORTHERN TERRITORY

The Mount Douglas project is located on the eastern flank of the Rum Jungle Mineral Field (RJMF) which was the first major uranium mining and processing centre in Australia. There are several uranium mineral occurrences in the Mount Douglas region, most of which are interpreted to be unconformity-style mineralisation which is the principal target in the project area.

The project area is largely covered by Paleoproterozoic metasediments of the Mount Partridge Group (2,050 to 2,000 Ma) in the east, overlain by the South Alligator Group (2,000 to 1,860 Ma) and in turn overlain by metasediments of the Finniss River Group (1,860 to 1,850 Ma) to the west.

Australia

The metasediments were intruded by granites of the Cullen Igneous Complex (1,830 to 1,820 Ma) (Figure 7).

The Mount Douglas area contains a fault-bound outlier of Middle Proterozoic arenite (Kombolgie Sandstone), considered an equivalent of settings associated with unconformity-style uranium mineralisation elsewhere in the Pine Creek Orogen. The project area features an approximate 20km strike length of favourable geology being the base of the unconformity where the basal conglomerate of the Kombolgie Sandstone overlies the Paleoproterozoic metasediments. Uranium anomalism in surface samples (including 1,089ppm U from a haematitic ironstone band) and several areas of elevated radiometric responses in the area require further investigation.

ORPHEUS MINERALS LIMITED

An Initial Public Offering of Orpheus shares via a partial, non-standard spin-out (Orpheus IPO), was approved by the Argonaut shareholders during the reporting period. The Orpheus IPO closed on 9 December 2022 without meeting the minimum subscription condition. Accordingly, the Orpheus IPO was withdrawn.

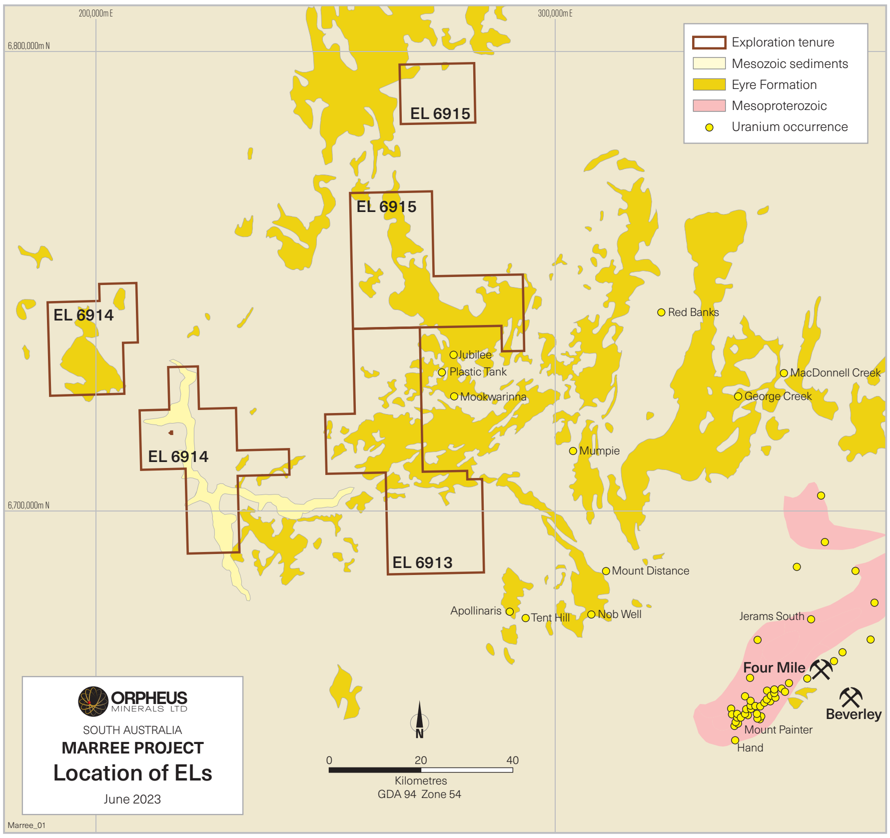


Figure 6 *Marree project regional geology of the prospective Eyre Formation, showing proximity to significant uranium deposits and occurrences.*

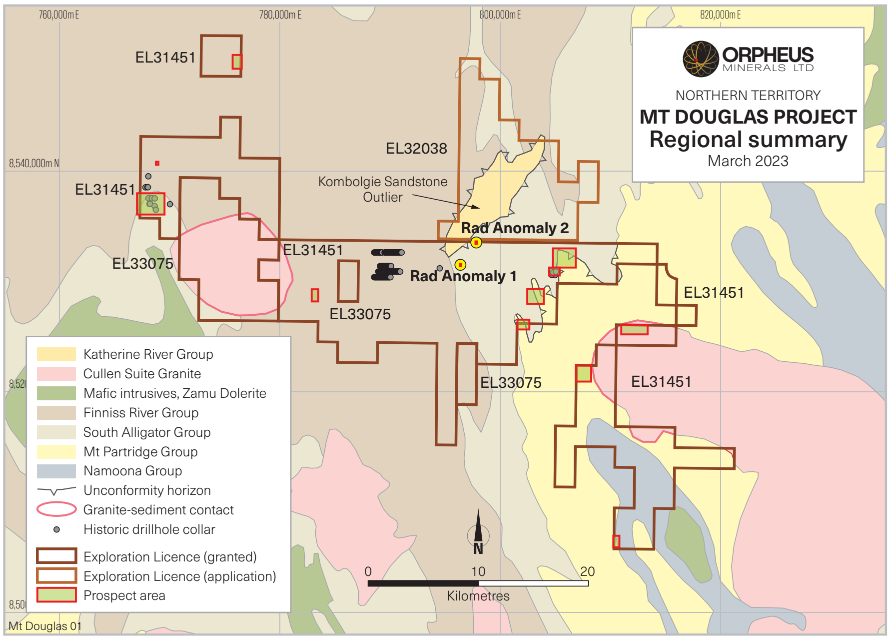


Figure 7 *Mount Douglas project regional geology, with historic drill hole locations and identified prospect areas.*

Australia

Higginsville, WA

Commodities: Gold, lithium, nickel
Argonaut interest: 80%
Operator: Argonaut

LITHIUM EXPLORATION

Argonaut holds an 80% interest in exploration licence E15/1489 Higginsville which hosts:

- the Darson Pegmatite Swarm;
- the Amorphous gold deposit; and
- the Footes Find gold prospect.

Numerous surrounding lithium deposits

The Darson Pegmatite Swarm is well located amongst numerous significant lithium Resources in the Eastern Goldfields region of the southern Yilgarn Craton, Western Australia. The area features the Bald Hill lithium tantalum mine, the Mount Marion lithium mine and the Buldania lithium project, as well the nearby Dome North lithium Resource[1].

The Darson prospect is adjacent to a sealed highway and rail line and benefits from being in the Tier-1 mining jurisdiction of Western Australia (Figure 8).

Darson Pegmatite Swarm

Five LCT pegmatites up to 90m wide

Fieldwork undertaken by Argonaut during 2022 / 2023 defined an extensive swarm of LCT pegmatites which are located near the margin of the Pioneer Granite. The Pioneer Granite caused the emplacement of LCT pegmatites at the Dome North lithium deposit and at Sinclair, which was previously mined for caesium (Figures 8 and 9).

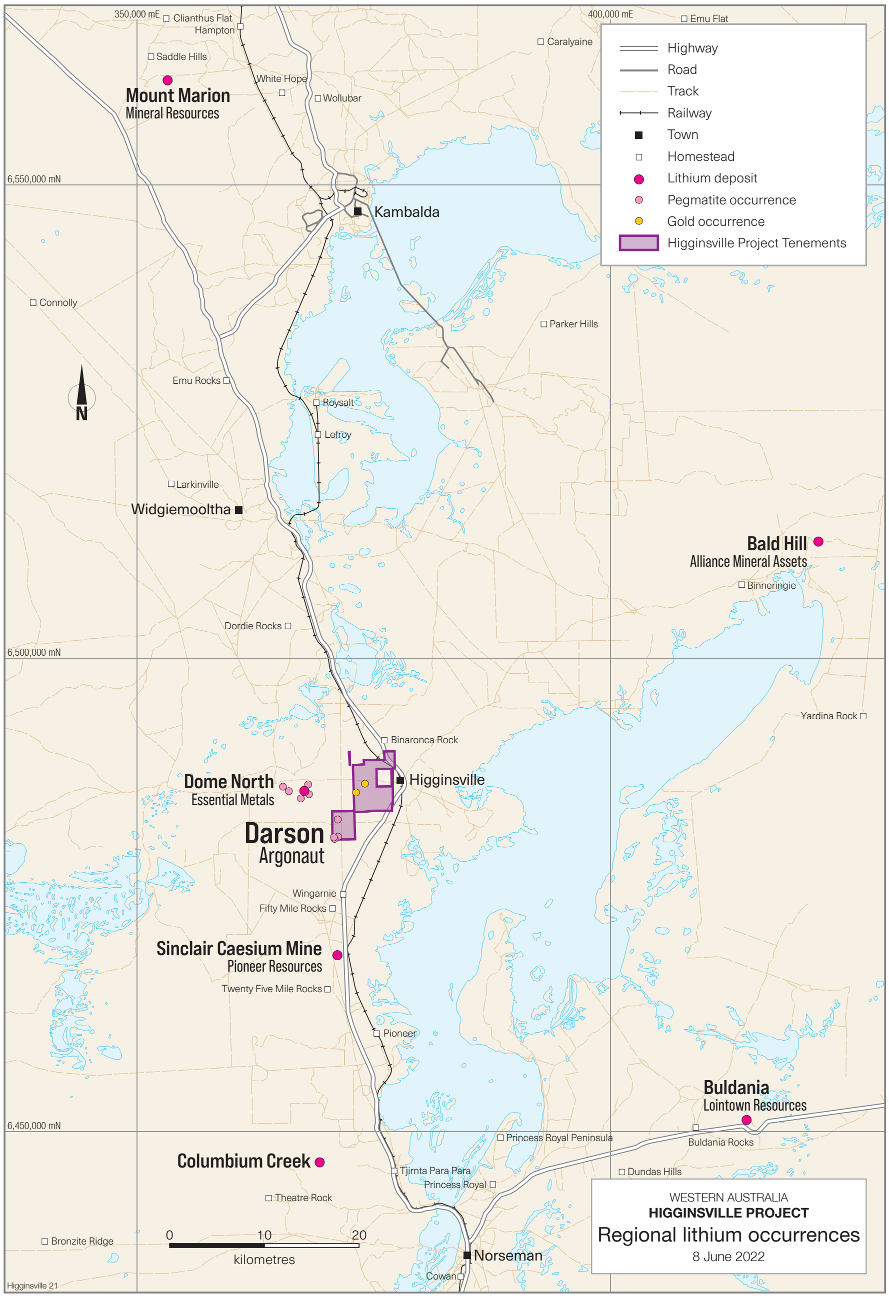


Figure 8 *Regional lithium pegmatite deposits in the area of the Darson Pegmatite Swarm, Higginsville, WA.*

1 *https://wcsecure.weblink.com.au/pdf/ESS/02529464.pdf.*

Australia

The Darson pegmatites were mapped from outcrops which were located via traversing on foot. The pegmatites trend (strike) approximately north-south, and initial outcrop mapping indicates thicknesses of up to 90m.

Geochemical results and prospectivity index

Argonaut commissioned geochemist Dr Nigel Brand[2], a recognised expert in Western Australian LCT pegmatite geochemistry, to analyse the results of the field work at Darson. Dr Brand concluded:

- A combination of LCT elements and host lithic elements combined to generate a Prospectivity Index has identified areas of probable LCT mineralisation within five parallel trends.
- Modelling of the soil data indicate that the Li, Be and Cs represent the highly fractionated portion (Zone 4 and Zone 5) of the LCT pegmatite whilst Nb and Ta are proximal (Zone 3 and Zone 4) based on Cerny 1991 diagram[3].
- Rock chip classification indicates "fertile granites" along two trends and potentially represents the outer shell of a fractionated pegmatite.

The recommendations that resulted from Dr Brand's analysis were:

- Further systematic regional soil sampling to identify any near surface potential pegmatite trends.
- Drill testing of the defined areas of interest should be considered as a high priority.

Nigel Brand is the co-author of several papers regarding LCT pegmatite exploration and discovery in the area of the Pioneer Dome. Dr Brand has worked extensively in the area with several explorers as a consulting geochemist.

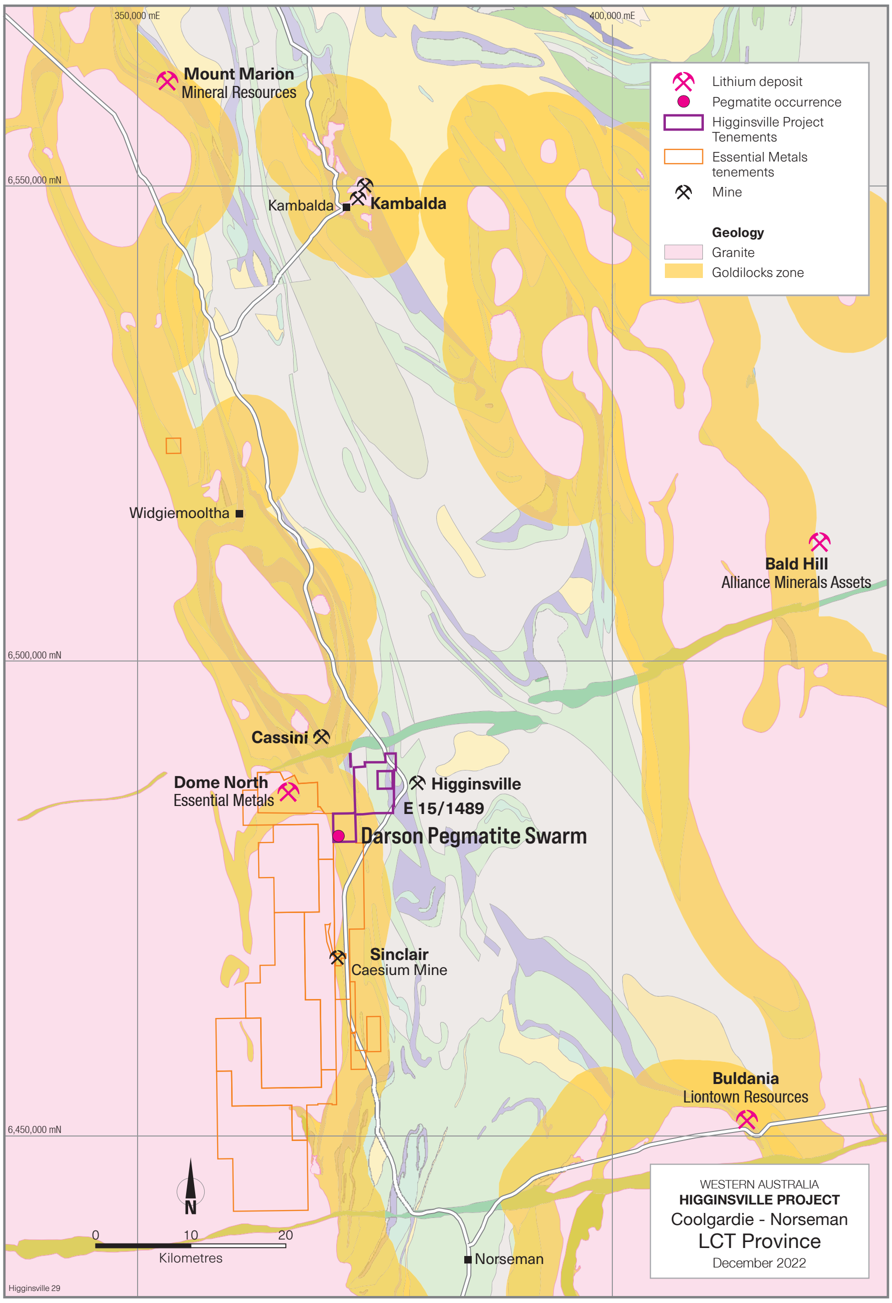


Figure 9 *Coolgardie-Norseman LCT Province showing major Lithium deposits and the "Goldilocks Zone" in relation to the Darson Pegmatite Swarm, Higginsville, WA. After Brand et al 2021.*

2 *Dr Brand holds Argonaut shares directly and indirectly.*

3 *Cerny 1991 b, Figure 2(b) https://www.researchgate.net/figure/Regional-zoning-in-fertile-granites-and-pegmatites-Cerny-1991b-a-Regional-zonation-of_fig2_42797128.*

Australia

LITHIUM EXPLORATION – DARSON PEGMATITE SWARM

Field mapping and sampling by Argonaut, defined an extensive swarm of lithium-caesium-tantalum pegmatite dykes (LCT Pegmatites) within E15/1489, known as the Darson Pegmatite Swarm. E15/1489 is located adjacent to the Higginsville gold mine (see Figures 8 and 9).

Drilling program

Argonaut completed a 30-hole, 3,246m RC drilling program at the Darson prospect, near Higginsville, WA. The program targeted LCT Pegmatites on the basis of outcrop mapping and soil geochemistry.

Drilling succeeded in intersecting Pegmatitic rocks in all 30 drill holes. A total of 132 pegmatitic intervals were logged across the 30 drill holes for a cumulative total of 431 metres of logged pegmatitic rock. The drilling program was twice extended to include newly or better defined targets at Darson Central and Darson West.

Drill holes DSRC022 and DSRC023 at the newly defined Darson West prospect returned significant visual Pegmatite intervals of 30m from surface and 36m from surface respectively.

Drilling results confirmed that targeted Pegmatitic rocks are fertile LCT Pegmatites that are capable of hosting higher-grade lithium deposits. Lithium intercepts generated by the 30-hole drilling program are low to medium grade. Ancillary elements such as caesium, tantalum and rubidium occurred at or above levels typically in commercial, Western Australian lithium deposits. All laboratory analyses' of March/April 2023 RC drill samples have been received by the Company.

Soil sampling

A soil sampling program was completed over the Darson Pegmatite Swarm during September / October 2022 and March / April 2023. 1,319 soil samples sieved to #40 mesh plus QAQC samples were collected from in-situ (residual) soil profiles.

All assays have been received. Peak soil results include 135ppm Li with 99 samples greater than 50ppm Li.

The Company progressively extended and infilled soil sampling grids at Darson. These efforts delineated four major target zones (Darson South, Central, East and West).

Recent soil sampling results revealed a significant new anomaly at Darson West. The Darson West anomaly is defined by a geochemical signature (RbKTaNb) that indicates primary pegmatite rock (rubidium and potassium) and weathered pegmatite minerals (tantalum and niobium). The Darson West anomaly was tested by two drill holes, mentioned above. Further drilling of the Darson West anomaly is warranted.

AMORPHOUS GOLD DEPOSIT

The Amorphous gold deposit and the Footes Find gold prospect are located on E15/1489, to the northeast of the Darson Pegmatite Swarm (Figure 8). Argonaut first drilled the Amorphous gold deposit in 2017 and in 2020. Drilling increased potential for a commercial gold deposit at Amorphous by demonstrating improved continuity of gold grades along a strike length of 800m.

Drilling results previously generated by Argonaut at the Amorphous Gold Deposit include:

Drill Hole	Interval (m)	Grade (g/t gold)	From (m)
AMRC005	4	1.53	69
and	11	2.76	77
including	6	4.62	81
including	3	7.47	82
AMRC006	6	2.37	44
including	3	4.38	45
AMRC008	3	1.66	56
AMRC009	2	1.28	22
AMRC015	4	2.36	64
AMRC024	5	2.04	37

Gold mineralisation at Amorphous is typically hosted in an altered shear-zone within an easterly dipping gabbroic unit.

Previous exploration results were originally announced to the ASX on 21 November 2017 in an announcement titled "Higginsville Gold Drilling Significantly Increases Potential for Commercial Gold Deposit" and on 17 September 2020 in an announcement titled "Higginsville Drilling Program".

JOINT VENTURE AGREEMENT

The Higginsville project is governed by a joint venture agreement between Argonaut and Loded Dog Prospecting Pty Ltd titled "Eastern Goldfields New Joint Venture and Royalty Agreement". This JVA relates to exploration licence E15/1489. Argonaut holds an 80% interest and will sole fund joint venture activities through until completion of a bankable feasibility study and a decision to mine is made.

Australia

Murdie, SA

Commodities: Copper, gold, with potential uranium credits

Argonaut interest: 100%

Operator: Argonaut

HIGHLIGHTS

- In August 2022, the South Australian Supreme Court set aside an Aboriginal Heritage Act authorisation granted to Argonaut's subsidiary, Kelaray Pty Ltd, for exploration works at the Murdie project in South Australia. Kelaray subsequently filed an appeal against the decision.
- In May 2023, this appeal was heard by the South Australian Court of Appeal. The Court of Appeal unanimously allowed Kelaray's appeal and set aside the Supreme Court's orders of August 2022. The Murdie authorisation was reinstated to Kelaray.
- The Murdie project now holds all permits necessary to undertake exploration works, subject to any assessment by the Commonwealth Department of Climate Change, Energy, the Environment and Water.

Argonaut Resources holds a 100% interest in two highly prospective exploration licences, EL5937 and EL5945 via its subsidiary, Kelaray Pty Ltd. The Murdie licences are situated along the western margin of Lake Torrens, in the highly prospective Eastern Gawler Craton of South Australia (Figure 10).

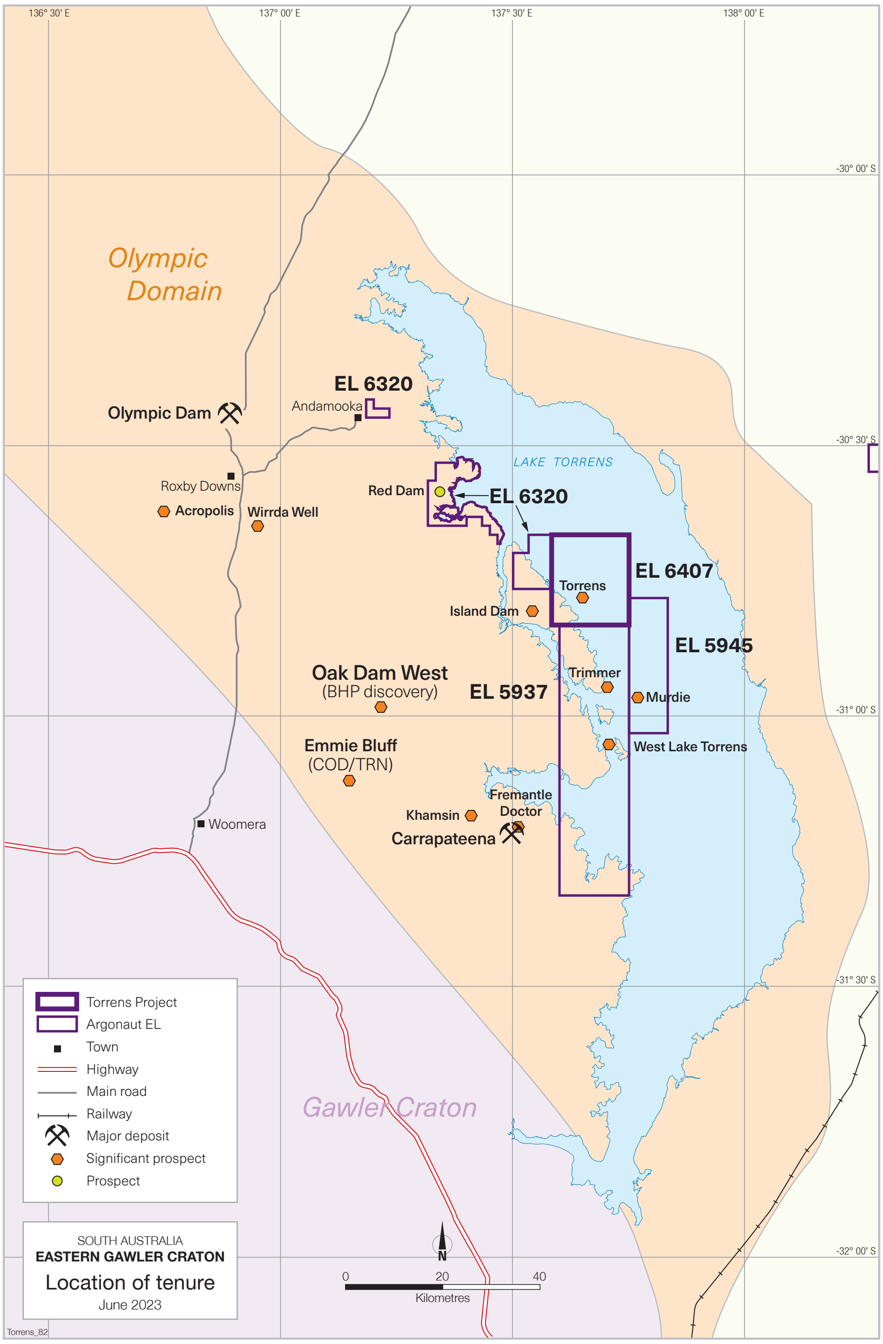


Figure 10 *Lake Torrens exploration licences, Eastern Gawler Craton, South Australia.*

Australia

TARGETING

It is appropriate for Argonaut to review its targeting priorities following the 2021 drilling program. Targeting to date has been by geophysical modelling of ground gravity survey data. Argonaut has partnered with SenseOre, a mineral exploration artificial intelligence (AI) and machine learning leader to generate a prioritisation of the various IOCG gravity targets at the Murdie project.

EXPLORATION PLANNING

Argonaut’s drilling authorisations for the Murdie project contain two main options for accessing drill sites on Lake Torrens – access via protective matting and via helicopter. Argonaut has held discussions with relevant contractors regarding the continuation of drilling using both techniques.

Confirmation of IOCG geology

The presence of IOCG alteration in the basement rocks of the West Lake Torrens gravity anomaly identified from drilling in 2021 provides encouragement to the Argonaut team. The 2021 Murdie drilling program confirmed the presence of the critical prerequisites to the discovery of an IOCG deposit:

- a similar brecciated, hematite alteration system as Olympic Dam, Carrapateena and Oak Dam;
- preservation, rather than erosion, of the IOCG system; and
- intersection at approximately the correct level within the system.

Basement rocks intercepted in drill hole WLTD002 feature breccia zones with moderate to strong hematite and potassic alteration. These observations are supported by portable XRF analysis.

Brecciation is the breaking of rock into fragments that are then re-cemented by a matrix, this case an iron-rich matrix (evident in drill core). This process is generally considered to be a prerequisite to IOCG mineralisation.

The system appears not to have been subject to destructive, paleo-erosion. The upper, prospective portion of the IOCG system appears to have been preserved.

The host rock of the system is interpreted to be units of the Wallaroo Group. No significant copper mineralisation is visible in WLTD002 drill core although chalcopyrite was noted in the lower part of the cover geology. The density of this hematite-altered rock intercepted in both drill holes accounts for the residual gravity anomalies.

West Lake Torrens bouguer anomaly

The West Lake Torrens anomaly is a regional gravity anomaly. This type of anomaly is typically displayed as a “bouguer” gravity anomaly. The peak of the West Lake Torrens bouguer anomaly is 7 milligals above background levels.

Argonaut has identified seven excellent drilling targets at the West Lake Torrens anomaly. Offshore targets are labelled Crystal Dam 1 to 3. Argonaut has drilled Smith Dam 1 and Smith Dam 2 first. Other targets will be prioritised on the basis of geophysical models and access requirements.

Trimmer bouguer anomaly

The Trimmer anomaly is a bullseye (single point) gravity target that sits between the south-eastern corner of Andamooka Island and the Murdie gravity anomaly. The gravity anomaly is nearby to an intense, linear magnetic anomaly which is coincident with a regional fault, but the Trimmer anomaly itself does not have a discernible magnetic anomaly.

Residual gravity targets

Initial 2021, drilling by Argonaut at the Murdie project has targeted “residual” gravity anomalies within the wider West Lake Torrens anomaly. The residual gravity targets are 0.85 to 1.15 milligals above the regional gravity anomaly.

Highly compelling targets

Many of the targets at the Murdie project have two important and sought-after qualities:

- they are within or at the margin of the same Donington Suite granite body that hosts both the Oak Dam and Carrapateena IOCG deposits; and
- the Oak Dam deposit and Argonaut’s targets are defined by ‘gravity only’ geophysical anomalies.

Gravity-only anomalies do not have a significant associated magnetic anomaly and can be indicative of IOCG deposits that have been entirely altered from magnetite-dominant, low-grade systems to high-grade, hematite-dominant IOCG systems.

Large, gravity-only anomalies within Donington Suite granite are some of the most compelling copper exploration targets in the country.

Australia

AUTHORISATIONS

Authority under the Aboriginal Heritage Act

On 25 August 2022, the South Australian Supreme Court set aside the Aboriginal Heritage Act authorisation granted to Argonaut's subsidiary, Kelaray Pty Ltd, on 29 December 2020 by then Premier, Steven Marshall, for exploration works at the Murdie project in South Australia.

On 11 May 2023, the Court of Appeal unanimously allowed Kelaray's appeal and set aside the Supreme Court's orders of August 2022. The Court of Appeal found that "The Authorisation granted under section 23 did not impair the practical legal operation of Aboriginal Heritage Act".

As a result of this decision the authorisation for exploration under the Aboriginal Heritage Act has been reinstated and the project again holds all permits necessary to undertake exploration works.

Operational approval

The 'Exploration Program for Environment Protection and Rehabilitation' for ongoing exploration activities including ground gravity surveys and diamond drilling at exploration licences EL5937 and EL5945 was approved under the South Australian Mining Act in January 2020.

The approval allows for up to 200 deep diamond drill holes into a string of large and prospective IOCG anomalies from nearshore and offshore locations on the salt crust of Lake Torrens.

Native title access

In 2018, the South Australian ERD Court granted native title authority to enter and undertake mining operations (exploration) within the area of EL5937 and EL5945.

Photo 1 *Drilling at WLTD002, Murdie project (Photo courtesy of SA Dept for Energy and Mines).*

Australia

Torrens, SA

Commodities: Copper, gold, with potential uranium credits
Argonaut interest: 100% (subject to Ministerial consent)
Operator: Straits Exploration (Australia) Pty Ltd (until receipt of Ministerial consent for title transfer)

The Torrens anomaly is a particularly attractive set of exploration targets hosted in a geological domain that has persistently rewarded explorers with large, high-grade copper discoveries. The discovery of an IOCG deposit by a listed junior exploration company creates a once-in-a-lifetime opportunity for shareholders. Argonaut continues to work towards this goal.

Exploration in the Olympic Domain has historically been hindered by two factors: the thickness of cover formations, and difficulties securing access. These factors, although frustrating, have preserved exploration targets that would have otherwise been tested.

Statistically, the drill testing of gravity targets in the Olympic Domain has delivered a higher than average discovery rate. It makes commercial sense to invest copper exploration budgets into drilling well defined gravity targets in the Eastern Gawler Craton.

Major, diversified miners and mid-cap copper miners are specifically seeking to increase copper production due to forecast copper supply shortages. There was an underinvestment in copper exploration between 2012 and 2017, consequentially there are relatively few copper deposits available to acquire. Copper discoveries are necessary and copper deposits are in-demand.

The combination of geological prospectivity, access rights and a global appetite for new copper deposits make the Torrens Joint Venture project a compelling investment opportunity.

The Torrens project holds all permits necessary to undertake exploration works, subject to any assessment by the Commonwealth Department of Climate Change, Energy, the Environment and Water.

WORK PROGRAM

The Torrens Joint Venture is currently reviewing appropriate remote sensing techniques to assist with refining of geophysical drill targets. A magnetotelluric survey to identify deep, crustal structures feeding potential mineralisation and an ambient noise tomography survey to improve the resolution of gravity modelling are both under consideration.

TORRENS PROJECT

The Torrens Joint Venture project is located within the globally recognised Olympic Domain, at the eastern margin of South Australia's Gawler Craton, within 40 kilometres of BHP Group's Oak Dam copper discovery, 50 kilometres of OZ Minerals' Carrapateena copper-gold deposit and 75 kilometres from BHP's Olympic Dam mine (Figure 10). BHP's recent discovery at Oak Dam has confirmed the validity of the Torrens target and the copper endowment of the Eastern Gawler Craton.

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 at Torrens to date has confirmed the existence of an IOCG mineralising system beneath several hundred metres of sedimentary cover. Further drilling is required to intercept the modelled copper-gold mineralisation. In the event of a discovery, the Torrens anomaly has the scale to host a world-class copper-gold deposit.

Australia

Red Dam, SA

Commodities: Copper, gold, with potential uranium credits
Argonaut interest: 100%
Operator: Argonaut

TORRENS JOINT VENTURE

The Torrens Joint Venture is between Argonaut Resources NL (30%) and Aeris Resources Limited (ASX: AIS) (70%) and relates to the Torrens Joint Venture project, exploration licence EL6407. Aeris' subsidiary, Straits Exploration (Australia) Pty Ltd, is the manager of the project.

During the reporting period, Argonaut's 100% held subsidiary, Kelaray Pty Ltd entered into an agreement to acquire a 70% interest in the Torrens project EL6407 in return for a 2.5% net smelter royalty on future production. The Tenement Sale and Purchase Agreement is with Straits Exploration (Australia) Pty Ltd, a subsidiary of Aeris Resources Ltd (ASX: AIS).

The Agreement is for the acquisition by Kelaray of an additional 70% interest in the Torrens project in South Australia to take its holding to 100%. The licence transfer is subject to Ministerial approval, an instrument of transfer has been lodged.

This agreement sees Argonaut take a commanding land position in the highly prospective Olympic Dam domain near the eastern margin of the Gawler Craton. The Olympic Domain hosts several internationally significant Iron Oxide Copper-Gold (IOCG) deposits including Olympic Dam, Carrapateena, Prominent Hill and Oak Dam West.

Argonaut holds exploration licence EL6320 located adjacent to the Torrens Project (Figure 10). The 198 square kilometre licence area is in three parts and encompasses the Red Dam IOCG target, previously identified by WMC.

The licence areas were relinquished by BHP prior to the announcement of the Oak Dam discovery.

Argonaut has assessed the relevant, historical drill core and conducted a ground gravity survey in 2020 to improve resolution for geophysical modelling and target generation.

Zambia

Lumwana West

Commodities: Copper, cobalt
Argonaut interest: 90% (Subject to licence reinstatement)
Operator: Argonaut

PURPORTED CANCELLATION OF EXPLORATION LICENCE 22399-HQ-LEL

During January 2022, Argonaut became aware that Large-scale Exploration Licence 22399-HQ-LEL, Lumwana West, was not renewed by the Zambian Government as expected. This licence area contains the Nyungu deposit (Figure 11).

At the time of the purported cancellation, the Company's 90% held subsidiary, Mwombezhi Resources Ltd, was operating in full compliance with all licence conditions and other regulatory requirements.

Argonaut's Zambian lawyers identified procedural errors in both the non-renewal of 22399-HQ-LEL and the grant of a new licence over the Lumwana West area to a newly registered company.

Argonaut had a history of raising and investing significant amounts of money in the rigorous exploration and evaluation of the Lumwana West licence area, particularly the Nyungu deposit. The Company had commenced the fast-tracking of a feasibility study into a commercial mining operation at the site via a team of internationally recognised experts. It would appear to be against the national interests of Zambia to stop this process.

Prior to the period, the Zambian Minister of Mines refused an appeal by Mwombezhi against the grant of a new licence over the Lumwana West area in North-western Zambia. The Company notes that an appeal to the Minister of Mines is the first of three forms of relief available to aggrieved parties under the Zambian Mining Act. The second process is an appeal against the Minister's decision to the Mining Appeals Tribunal.

On 3 April 2023, Mwombezhi filed an Appeal to the Mining Appeals Tribunal and, on 6 June 2023, Mwombezhi made an application to the Zambian High Court to expedite the relief sought.

On 20 June 2023, the Zambian High Court made an order staying the cancellation of the Lumwana West licence and grant of a new licence over the same area, thus protecting Argonaut's interest.

Legal action by Argonaut is aimed at the reinstatement of the Lumwana West exploration licence to Mwombezhi Resources Ltd. The Company notes that the timeframe for legal processes currently underway in Zambia is uncertain and that an outcome is expected in two to 12 months.

Argonaut is ready to continue a fast-tracked feasibility study in the event the Lumwana West licence is reinstated.

Zambia

Kamapanda

Commodities: Copper, cobalt, gold
Argonaut interest: 90%
Operator: Argonaut

The Kamapanda project is located in the Central African Copperbelt, North-western Province, Zambia (Figure 11). The large-scale exploration licence covers an area of 225 square kilometres and extends to the Angolan border. The area is remote, with limited access and is largely underexplored.

The area is situated adjacent to the Domes Region, on the southwestern flank of the Kabompo Dome and is prospective for copper-cobalt mineralisation within units of the Lower Roan Group of the Katanga Supergroup.

Argonaut via its 90% held subsidiary, Sunrise Exploration and Mining Limited has been successful in acquiring the licence and has received operational approvals and consent from Zambian authorities to commence exploration activities.

A program of regional stream sediment sampling is planned to outline both gold and copper potential. Expenditure at Kamapanda is on hold pending the reinstatement of the Lumwana West licence.

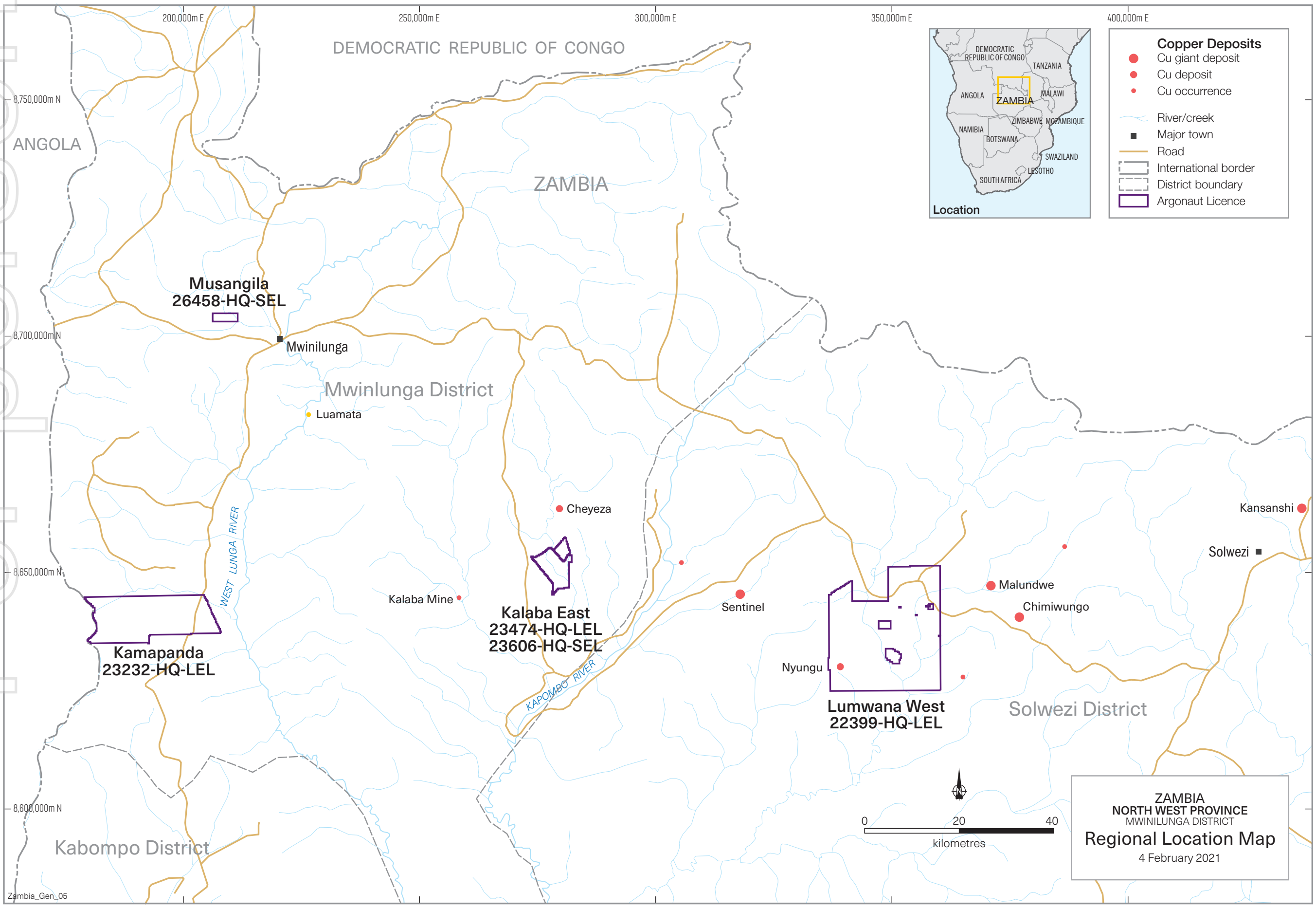


Figure 11 *Tenement locations, Zambia.*

Zambia

Kalaba East

Commodities: Copper, cobalt
Argonaut interest: 90%
Operator: Argonaut

The Kalaba East project is located in the Central African Copperbelt, North-western Province, Zambia (Figure 11). The area is prospective for large tonnage, low to medium grade copper-cobalt deposits.

The Kalaba East project lies adjacent to ARC Minerals' recent Cheyeza East Prospect and Muswema North Prospect discovery and west of the world-class copper mine Sentinel, operated by First Quantum Minerals. At Cheyeza East, ARC Minerals intercepted 18m at 2.35% copper and 39m at 1.47% copper.

Argonaut via its 90% held subsidiary, Sunrise Exploration and Mining Limited holds Large Scale Exploration Licence 23474-HQ-LEL Kalaba East and has received operational approvals and consent from Zambian authorities to commence exploration activities.

Argonaut plans to conduct a regional geochemical sampling program at Kalaba East. Expenditure at Kalaba East is on hold pending the reinstatement of the Lumwana West licence.

Musangila

Commodities: Copper, cobalt, gold
Argonaut interest: 90%
Operator: Argonaut

The Musangila project is located in the Central African Copperbelt, North-western Province, Zambia (Figure 11). The area is prospective for large tonnage, low to medium grade copper-cobalt deposits and alluvial gold.

The area is situated adjacent to the Domes Region, on the northwestern flank of the Kabompo Dome and is prospective for copper-cobalt mineralisation within units of the Lower Roan Group of the Katanga Supergroup.

Argonaut via its 90% held subsidiary, Sunrise Exploration and Mining Limited has been successful in acquiring the licence and is waiting for operational approvals and consent from Zambian authorities to commence exploration activities.

Next steps are conduct of a geochemical sampling program followed by RC drilling.

Expenditure on field activities at Musangila is on hold pending the reinstatement of the Lumwana West licence.

Australia

Kroombit, QLD

Commodities: Zinc, copper
Argonaut interest: 100%
Operator: Argonaut

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.

MDL2002 has been renewed by the Queensland Government Department of Resources for a further five years to 31 August 2026.

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% zinc, 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% copper for 9,000 tonnes of copper.
- On 21 July 2010, Argonaut announced that metallurgical testing had succeeded in producing a particularly high grade zinc concentrate of 54%.

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.

Argonaut plans to capitalise on its Kroombit holding at a time of higher zinc prices. No field-based work was undertaken at Kroombit during the reporting period.

Aroona, SA

Commodity: Zinc
Argonaut interest: 100%
Operator: Argonaut

The Aroona project is prospective for zinc-silicate (willemite) mineralisation in the locally endowed carbonate units of the Wilkawillina Limestone, adjacent to the Aroona fault which hosts numerous willemite occurrences along trend, including the Aroona, Aroona II and Reliance deposits.

Historic field work has been regional in scope and included mapping, airborne geophysics and minor rock chip sampling targeting the NW Aroona prospect, showing potential hematite alteration identified from Landsat/Aster imagery. No drilling has been conducted.

Argonaut holds a 100% interest in EL 6199. No field-based work was undertaken at Aroona during the reporting period.

Competent Persons Statement

Sections of information contained in this report that relate to Exploration Results were compiled or reviewed by Miss Bethany Lawrence BScAppGeol(Hons), MAIG,GIA(Aff),CG(Aff) who is a Member of the Australian Institute of Geoscientists and is a full-time employee of Argonaut Resources NL and Orpheus Minerals Limited. Miss Lawrence holds shares in Argonaut Resources NL. Miss Lawrence has sufficient experience which is relevant to the style of mineral deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Miss Lawrence consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information regarding Resource definition and Exploration Potential for the Kroombit deposit is extracted from a report entitled 'Maiden resource estimate announced for Queensland zinc-copper project'. This report was released on 11 June 2009 and is available to view on www.asx.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 3 July 2023 following review of exploration strategy and projects by the board of Argonaut, the Company has elected to shift its strategic direction to focus principally on its Australian uranium assets.

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 3 July 2023 the Company announced a placement of 954,280,691 fully paid ordinary shares at an issue price of $A0.0005. to raise A$477,140 before costs. The placement was made to sophisticated and professional investors.

On 3 July 2023 following review of exploration strategy and projects by the board of Argonaut, the Company has elected to shift its strategic direction to focus principally on its Australian uranium assets.

On 31 July 2023 the managing director of Argonaut, Lindsay Owler retired after 26 years working for Argonaut.

At the General Meeting of shareholders held on 20 September 2023 the shareholders approved the consolidation of capital resulting in one share held for each 100 pre consolidation shares held. Following the Consolidation, the Company intends to conduct a fully underwritten entitlement offer, at the same effective Offer Price as the Placement on a post consolidation basis of $0.05 per share. The Entitlement Offer will be offered on a one (1) for one (1) basis, to raise a further $3.65 million before costs associated with the issue (“Entitlement Offer”, together with the Placement the “Offer”).

At the date of this report the Company applied to the ASX to commence the consolidation process. The Company has announced to the market that the consolidation process will be completed on 27 September 2023, as follows:

Type of security	Number on issue pre-consolidation	Number on issue post-consolidation	Revised exercise price
Ordinary shares	7,316,151,967	73,161,520	n/a
Unquoted options expiring 30 Nov 2026 @ 0.02c	10,000,000	100,000	$0.02
Unquoted options expiring 11 Aug 2025 @ 0.02c	30,000,000	300,000	$0.02

Other than where stated in Note 23 to the Financial Statements, there were at the date of this report, no matters or circumstances which have arisen since 30 June 2023 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 activities. 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, Tamboran Resources Limited, Kirrama Resources Limited and Rockfire Resources PLC

Former directorships (last 3 years)

Pioneer Limited – retired 30 November 2020

Interests in shares: 54,301,103

Interests in options: 10,000,000

L J Owler
CHIEF EXECUTIVE OFFICER (RESIGNED 31 JULY 2023)

B.Sc, MAusIMM

Experience and expertise

Mr Owler is Argonaut Resources NL's Chief Executive Officer and was appointed onto the Board as Executive Director on 1 June 2005. Mr Owler is a Geologist and Geophysicist with over 25 years' experience in mineral exploration and development. Mr Owler holds a Bachelor of Science and is a Member of the Australasian Institute of Mining and Metallurgy.

Other current directorships

None

Former directorships (last 3 years)

None

Interests in shares: 2,100,000

Interest in Treasury shares: -

Interests in options: -

M R Billing
NON-EXECUTIVE DIRECTOR, APPOINTED AS AN EXECUTIVE DIRECTOR ON 20 JUNE 2023

B.Bus, MAICD

Experience and expertise

Mr Billing was appointed a non-executive director of Argonaut Resources NL on 3 August 2021. Mr Billing has over 40 years of mining and agri-business experience and a background in finance, specialising in recent year in assisting in the establishment and management of junior companies. His career includes experience in company secretarial, senior commercial, and CFO roles including lengthy periods with Bougainville Copper Ltd and WMC Resources Ltd. He has worked extensively with junior resource companies over the past 20 years.

Other current directorships

Golden Metal Resources plc (AIM listed company)

Former directorships (last 3 years)

Thor Mining PLC – resigned 3 September 2021

Interests in shares

9,000,000

Interests in options

10,000,000

Information on directors

A W Bursill
NON-EXECUTIVE DIRECTOR

B.Agr. Ec., CA., FGIA

Experience and expertise

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

Since commencing his career as an outsourced Company Secretary and CFO 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: -

Former directorships (last 3 years): -

Interests in shares

4,574,158

Interests in options

10,000,000

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

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

COMPANY SECRETARY

Richard Walter Cumming Willson
COMPANY SECRETARY – APPOINTED 29 AUGUST 2023

Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.

Experience and expertise

Richard Willson is an experienced, Non-executive Director, Company Secretary and CFO with more than 20 years' experience predominantly within the mining, technology and agricultural sectors for both publicly listed and private companies.

He is Non-executive Chairman of Thomson Resources Limited (ASX:TMZ), a Non-executive Director of Titomic Limited (ASX:TTT), Clara Resources Limited (ASX:C7A), MedTEC Holdings Limited, and Unity Housing Company Ltd; and Company Secretary of a number of ASX Listed Companies.

Richard is the Chairman of the Audit Committee of Titomic Limited, Clara Resources Limited, and Unity Housing Company, and is the Chairman of the Remuneration & Nomination Committee of Titomic Limited.

J E Morbey
COMPANY SECRETARY – RETIRED 29 AUGUST 2023

B.Com CA

Experience and expertise

Joanna Morbey is a member of Chartered Accountants, Australia and New Zealand and has over 35 years experience in accounting and company secretarial duties in the investment banking, property development and the mineral exploration industries.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

Full Board Meetings	Attended	Held
PJ D Elliott	11	11
L J Owler	9	11
A W Bursill	11	11
M R Billing	11	11

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 board has not established a remuneration committee as the role of the committee is undertaken by the full board, which currently comprises of 3 members. In the absence of a formal committee, the Board undertakes the role of reviewing the level and composition of remuneration for directors and senior executives.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive director's 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.

Remuneration report (audited)

Consolidated entity performance and link to remuneration

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

Voting and comments made at the company's 30 June 2022 Annual General Meeting ('AGM')

The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

DETAILS OF REMUNERATION

Amounts of remuneration

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

The key management personnel of the group consisted of the following:

- P J D Elliott, non-executive Director and Chairman
- L J Owler, Managing Director – retired 31 July 2023
- A W Bursill, non-executive Director
- M R Billing, non-executive Director, appointed executive director 20 June 2023
- R W C Willson, Company Secretary appointed 29 August 2023
- J E Morbey, Company Secretary - retired 29 August 2023

2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share- based payments	
	Salary/ director fees $	Consulting fees $	Annual leave $	Superannuation $	Long service leave $	Equity settled $	Total $
Non-executive Directors							
P J D Elliott[1]	85,000	-	-	-	-	-	85,000
A W Bursill[1]	40,000	-	-	-	-	-	40,000
M R Billing[1]	77,916	-	-	-	-	64,000	141,916
M R Richmond[2]	58,219	-	-	7,375	-	-	65,594
Executive Directors							
L J Owler[3]	350,000	-	20,296	35,000	20,236	28,093	453,625
Company Secretary							
J E Morbey[4]	-	47,000	-	-	-	-	47,000
	611,135	47,000	20,296	42,375	20,236	92,093	833,135

1 *June Quarter director fees have been accrued.*
2 *M R Richmond retired 2 February 2022.*
3 *L J Owler June 2022 salary has been accrued.*
4 *J E Morbey May and June fees have been accrued.*

As announced in the June 2022 Quarterly Report, dated 29 July 2022, the Company announced that directors' fees including all non- essential expenditure would be deferred to preserve cash reserves for the period 1 April 2022 to 30 June 2022. These Director fees have been accrued as at 30 June 2022. Following the September capital raise all outstanding fees were paid.

There have been no non-monetary benefits to key management personnel other than share based payments. (2022: nil)

Remuneration report (audited)

2023	Short-term benefits			Post-employment benefits	Long-term benefits	Share- based payments	
	Salary $	Consulting fees $	Annual leave $	Superannuation $	Long service leave $	Equity-settled $	Total $
Non-executive Directors							
P J D Elliott[1]	85,000	-	-	-	-	-	85,000
M R Billing[1,4]	85,000	-	-	-	-	-	85,000
A W Bursill[1]	40,000	-	-	-	-	-	40,000
Executive Directors							
L J Owler[2]	379,000	-	27,051	30,264	5,858	-	442,173
Company Secretary							
J E Morbey[3]	-	57,000	-	-	-	-	57,000
	589,000	57,000	27,051	30,264	5,858	-	709,173

1 *March and June Quarter Director fees have been accrued.*

2 *L J Owler May and June 2023 salary has been accrued. The salary disclosed includes an amount in respect of July 2023, the final month of the 3 month notice/ termination period due in lieu of working out the notice period, in line with the terms of his service agreement. This amount has also been accrued.*

3 *J E Morbey May and June 2023 fees have been accrued.*

4 *M R Billing was appointed as an executive director on 20 June 2023. No change to his remuneration has yet been negotiated.*

As disclosed in the 31 March 2023 quarterly report dated 30 April 2023, the directors agreed to assist the company to preserve cash reserves by deferring directors' fees during the period 1 January 2023 to 30 June 2023. The last two quarters of director fees have been accrued. As at the date of this report the director fees, wages and accounting fees remain accrued.

SERVICE AGREEMENTS

Remuneration and other terms of employment for the Chief Executive Officer, L J Owler, is formalised in a service agreement. L J Owler salary is currently at $350,000 p.a. plus superannuation. 3-month termination notice by either party, and the Company reserves the right to pay a sum of money equivalent to 3 months' pay in lieu of working out the notice period or part thereof.

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

On 2 May 2023 the Company announced that L J Owler was retiring from Argonaut, effective 31 July 2023. The payout figure due to be paid to L J Owler subsequent to his retiral on 31 July 2023 will be a combination of accrued wages, superannuation, annual leave and long service leave.

On 20 June 2023 the Company announced that M R Billing would take on the role of Executive Director effective immediately. No service agreement reflecting his change to executive status has yet been agreed with M R Billing.

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 2023 (2022: nil).

Options

Other than as set out below there were no options over ordinary shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023 (2022: nil).

Remuneration report (audited)

ADDITIONAL INFORMATION

The earnings of the group for the five years to 30 June 2023 are summarised below:

	2019 $	2020 $	2021 $	2022 $	2023 $
Profit/(loss) after income tax	(2,032,251)	(1,802,312)	(3,734,170)	(9,840,941)	(2,201,561)

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

	2019	2020	2021	2022	2023
Share price at financial year end ($)	0.005	0.008	0.006	0.002	0.001
Basic and diluted loss per share (cents per share)	(0.131)	(0.111)	(0.140)	(0.270)	(0.0394)

As set out in the Matters subsequent to the end of the financial year section above, at the General Meeting of shareholders held on 20 September 2023 the shareholders approved the consolidation of capital resulting in one share held for each 100 pre consolidation shares held. The Company has announced to the market that the consolidation process will be completed on 27 September 2023. As the consolidation process has not been completed at the date of this report the earnings per share has not been adjusted in respect of this.

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Shares taken up in rights Issue	Disposals/other	Balance at the end of the year
Ordinary shares					
P J D Elliott	36,200,733	-	18,100,370	-	54,301,103
L J Owler[1]	1,400,000	-	700,000	-	2,100,000
A W Bursill	3,049,438	-	1,524,720	-	4,574,158
M R Billing	6,000,000	-	3,000,000		9,000,000
J E Morbey	3,909,068	-	40,000,000	-	43,909,068
	50,559,239	-	63,325,090	-	113,884,329

1 *Following the 2019 Annual General Meeting, on 20 November 2019, L J Owler was issued 24,000,000 Loan Funded Shares (Treasury shares). See the note below outlining Loan Funded Shares (Treasury shares).*

Option holding

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

	Balance at the start of the year	Granted as part of remuneration	Exercised	Expired	Balance at the end of the year[1]
Options over ordinary shares					
P J D Elliott	14,000,000	-	-	(4,000,000)	10,000,000
L J Owler	16,000,000	-	-	(16,000,000)	-
A W Bursill	14,000,000	-	-	(4,000,000)	10,000,000
M R Billing[2]	10,000,000	-	-	-	10,000,000
	54,000,000	-	-	(24,000,000)	30,000,000

1 *All options over ordinary shares remaining on foot at the end of the year had vested and are exercisable.*
2 *M R Billing was appointed a non-executive director on 3 August 2021, and appointed an executive director on 20 June 2023.*

Remuneration report (audited)

Loan funded shares (treasury shares)

As approved by the shareholders at the 2018 AGM, under the Employee Incentive Plan (EIP) up to 40,000,000 Loan Funded Shares were made available to Mr Owler in 3 annual tranches, with vesting dates ranging from 12 months following the 2018 AGM through to 12 months following the 2020 AGM. The Loan Funded Shares were made available, funded by a limited recourse loan from the Company, pursuant to the terms of the EIP.

After the 2020 AGM 24,000,000 shares, representing the first two tranches of shares, were issued to L J Owler. Tranche 3, or 16,000,000 shares remained available. The issued shares are subject to restrictions and cannot be traded or sold until such time as the limited recourse loan provided to fund the shares is repaid in accordance with the Loan Agreement.

Following the retirement of L J Owler on 31 July 2023 the Loan Funded Shares will be cancelled subject to a resolution to be voted on at the 2023 Annual General Meeting.

SHARES UNDER OPTION

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

Unlisted options

Grant date	Vesting date	Expiry date	Exercise price	Number under option
14/08/2020[1]	14/08/2020*	11/08/2025	$0.020	30,000,000
30/11/2021[2]	30/11/2021	30/11/2026	$0.020	10,000,000
				40,000,000

1 At the General Meeting of shareholders held on 11 August 2020 it was resolved to issue the following unlisted options to the non-executive Directors of the Company:

- *P J D Elliott – 10,000,000 unlisted options, exercise price $0.02, expiry date 11 August 2025*
- *A W Bursill – 10,000,000 unlisted options, exercise price $0.02, expiry date 11 August 2025*

2 M R Richmond – 10,000,000 unlisted options, exercise price $0.02, expiry date 11 August 2025. M Richmond retired from the Board in 2022 however as a good leaver his options remain on foot.

At the Annual General Meeting of shareholders on 30 November 2021 it was resolved to issue unlisted options to Mr M R Billing,10,000,000 unlisted options, exercise price $0.02, expiry date 30 November 2026.

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 2023 and up to the date of this report. (2022: nil)

This concludes the remuneration report, which has been audited.

CORPORATE GOVERNANCE STATEMENT

The Company has outlined the Argonaut Resources NL corporate governance policies on the company website. *http://www.argonautresources.com*. The 2023 Corporate Governance Statement is also available on the company website and was lodged with this Annual Report on the ASX on 30 September 2023.

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 18 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 21 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

25 September 2023

Auditor's independence declaration

Building a better
working world

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Auditor's independence declaration to the directors of Argonaut Resources N.L.

As lead auditor for the audit of the financial report of Argonaut Resources N.L. for the financial year ended 30 June 2023, 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;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene 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

L A Carr

L A Carr
Partner
25 September 2023

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:

Level 6
100 Pirie Street
Adelaide SA 5000

Telephone Number: +61 8 8231 0381

Website: *www.argonautresources.com*

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2023.

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 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Income			
Other income	4	1,364,980	3,500
Interest revenue calculated using the effective interest method		33,200	1,841
Expenses			
Employee benefits expense	5	(1,194,114)	(1,127,861)
Office administration expense		(140,950)	(291,911)
Depreciation and amortisation expense	5	(16,702)	(63,295)
Finance expense		-	(1,019)
Impairment of exploration and evaluation asset	10	(438,417)	(7,199,527)
Share based payments		-	(92,259)
Exploration costs expensed		(72,691)	(84,054)
Foreign exchange		43,580	(115,452)
Other expenses	5	(1,780,447)	(870,904)
Loss before income tax expense		(2,201,561)	(9,840,941)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Argonaut Resources NL		(2,201,561)	(9,840,941)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Recycle of the foreign currency translation reserve		-	-
Other comprehensive loss for the year, net of tax		(2,201,561)	(9,840,941)
Loss is attributable to:			
Owners of Argonaut Resources NL		(1,923,302)	(9,740,890)
Non-controlling interests		(278,259)	(100,051)
Total comprehensive income for the year attributable to the owners of Argonaut Resources NL		(2,201,561)	(9,840,941)

	Note	Cents	Cents
Basic earnings per share	25	(0.0394)	(0.270)
Diluted earnings per share	25	(0.0394)	(0.270)

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 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Assets			
Current assets			
Cash and cash equivalents	7	328,700	482,742
Trade and other receivables	8	162,557	149,864
Other	9	9,107	9,013
Total current assets		500,364	641,619
Non-current assets			
Property, plant and equipment		24,687	41,389
Exploration and evaluation	10	3,247,114	2,031,859
Total non-current assets		3,271,801	2,073,248
Total assets		3,772,165	2,714,867
Liabilities			
Current liabilities			
Trade and other payables	11	912,134	1,491,362
Employee benefits	12	458,684	401,319
Total current liabilities		1,370,818	1,892,681
Non-current liabilities			
Employee benefits	12	15,240	6,170
Total non-current liabilities		15,240	6,170
Total liabilities		1,386,058	1,898,851
Net assets		2,386,107	816,016
Equity			
Issued capital	13	65,509,431	62,397,779
Reserves	14	2,244,219	2,244,219
Accumulated losses		(66,019,233)	(64,095,931)
Total equity		1,734,417	546,067
Non-controlling interest		651,690	269,949
		2,386,107	816,016

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 2023

	Consolidated					
	Contributed equity $	Share based payments reserve $	Accumulated losses $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2021	62,347,522	2,091,701	(54,355,041)	10,084,182	-	10,084,182
Loss after income tax expense for the year	-	-	(9,740,890)	(9,740,890)		(9,740,890)
Loss attributable to non-controlling interest	-	-	-		(100,051)	(100,051)
Total comprehensive income for the year			(9,740,890)	(9,740,890)		(9,740,890)
Transactions with owners in their capacity as owners:						
Non-controlling interests	-	-	-	-	370,000	370,000
Contributions of equity, net of transaction costs (note 13)	50,257	-	-	50,257	-	50,257
Share-based payments (note 14)	-	152,518	-	152,518	-	152,518
Balance at 30 June 2022	62,397,779	2,244,219	(64,095,932)	546,067	269,949	816,016

	Consolidated					
	Contributed equity $	Share based payments reserve $	Accumulated losses $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2022	62,397,779	2,244,219	(64,095,931)	546,067	269,949	816,016
Loss after income tax expense for the year	-	-	(1,923,302)	(1,923,302)	-	(1,923,302)
Loss attributable to non-controlling interest	-	-	-	-	(278,259)	(278,259)
Total comprehensive income for the year			(1,923,302)	(1,923,302)	-	(1,923,302)
Transactions with owners in their capacity as owners:						
Non-controlling interests	-	-	-	-	-	-
Contributions of equity, net of transaction costs (note 13)	3,111,652	-	-	3,111,652	-	3,111,652
Share-based payments (note 14)	-	-	-	-	660,000	660,000
Balance at 30 June 2023	65,509,431	2,244,219	66,019,233	1,734,417	651,690	2,386,107

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 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,438,881)	(1,686,861)
Payments for exploration and evaluation		(72,691)	(67,213)
		(3,511,572)	(1,754,074)
Interest received		33,200	1,841
Other income		-	3,500
Net cash used in operating activities	24	(3,478,372)	(1,748,733)
Cash flows from investing activities			
Payments for exploration and evaluation		(993,672)	(3,781,768)
Payment for office equipment		-	(4,395)
Research and Development grants		1,206,350	-
Receipt of government grant for exploration		-	300,000
Net cash used in investing activities		212,678	(3,486,163)
Cash flows from financing activities			
Cash receipts from shares issued into subsidiary		-	370,000
Proceeds from issue of shares		3,209,512	-
Payment for share issue costs		(97,860)	-
Net cash used in financing activities		3,111,652	370,000
Net increase / (decrease) in cash and cash reserves		(154,042)	(4,864,896)
Cash and cash equivalents at the beginning of the financial year		482,742	5,347,638
Cash and cash equivalents at the end of the financial year		328,700	482,742

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 new or amended Accounting Standards and Interpretations resulted in a material accounting impact.

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

Preparation of the financial report on a going concern basis
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 Group has incurred net losses after tax of $2,201,561 (2022: $9,840,941) and net cash outflows from operating and investing activities of $3,265,694 (2022: $5,234,896) for the year ended 30 June 2023. The Group had a net asset position at 30 June 2023 of $2,386,107 (2022: $816,016).

The Directors, in the consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have prepared a cash flow forecast through to September 2024 which indicates the Group to have sufficient cash to continue as a going concern due to the following:

On 3 July 2023 the Argonaut announced a placement of 954,280,691 fully paid ordinary shares at an issue price of $A0.0005. to raise A$477,140 before costs. The placement was made to sophisticated and professional investors.

On 3 July 2023, Argonaut made an announcement to the Australian Securities Exchange covering a proposed capital raise. Argonaut intends to conduct a fully underwritten entitlement offer to raise a further A$3.65 million before costs. It was disclosed in that announcement that following review of the exploration strategy and projects by the board of Argonaut, that the Directors of Argonaut had elected to shift its strategic direction to focus principally on its Australian uranium assets. Funds raised from the offer will be directed towards uranium exploration, general working capital and the costs of the offer.

The Directors are confident that the fully underwritten capital raise will provide the financial capacity to support its planned level of overhead expenditures and renewed exploration activities over the next 12 months. A signed underwriting agreement has been executed for A$3.65 million.

At the date of signing this report, the Directors consider that as a result of the above matters, it is appropriate to prepare the financial statements on the going concern basis.

However, in the event the conditions precedent to the underwriting agreement are not met, or costs associated with the planned activity, general working capital or overhead expenditures exceeds the level budgeted, or unbudgeted exploration expenditure is required to meet minimum license commitments and maintain in good-standing licenses outside the uranium portfolio which Argonaut wishes to maintain, and additional capital or funds is not able to be secured, significant uncertainty would exist as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded assets amounts nor to the amounts and classification of liabilities that might be necessary should the Group and 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').

Note 1. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the initial recognition of financial instruments 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 20.

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 2023 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 financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

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 the functional currency of the entities in the Group.

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.

Note 1. Significant accounting policies (continued)

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.

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.

Revenue recognition
The group recognises revenue as follows:

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established. In 2023, the other income received includes two refunds from the Australian Taxation Office for research and development work undertaken over a two year period and includes the reimbursement of legal fees.

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.

The Group is a tax consolidated group at balance date.

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.

Note 1. Significant accounting policies (continued)

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 allowance for expected credit losses.

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.

Investment 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 whether payments are solely payments of principle and interest and the underlying business model that the asset is held for. The group does not currently own equity investments.

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.

Impairment of financial assets
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. The group does not hold any collateral.

The group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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.

Lease
The Group assesses at contract inception whether a contract is, or contains, a lease. The Company terminated its office lease on Level 6, 100 Pirie Street, Adelaide on 30 June 2022. No leases have been negotiated since then.

Note 1. Significant accounting policies (continued)

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

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

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

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 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.

Note 1. Significant accounting policies (continued)

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

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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

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

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

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

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.

Treasury Shares
Treasury shares relates to shares issued in connection with awards made to employees under the Group's EIP. Treasury shares (Loan Funded Shares) cannot be traded until such time as the recipient repays the limited recourse loan attached to each award. Once repayment is made, treasury shares are presented as fully paid ordinary share capital. Refer to note 13 for further details.

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.

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.

Note 1. Significant accounting policies (continued)

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 and the impact of share consolidation completed during the financial year, or up to and prior to the financial report being authorised for issue. Where bonus elements or share consolidations occur, prior year comparatives are also restated. Where share consolidations have not completed at the date the financial report is authorized for issue no adjustments are made.

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

The Group has applied, for the first time, certain standards and amendments which are effective for the first time in their annual reporting period commencing 1 July 2022 There are no new standards, interpretations or amendments to existing standards that are effective for the first time that have a material impact in current or future reporting periods and on foreseeable future transactions.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Group. The Group has assessed that none of these are relevant to the Group.

Standards not yet effective - There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on the foreseeable future transactions. None of these are expected to have a material effect on the financial statements.

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 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.

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.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 2023	Australia $	Zambia $	Total $
Assets			
Exploration assets	3,247,114	-	3,247,114
Unallocated assets:			
Cash and cash equivalents			328,700
Other assets			196,351
Total assets			3,772,165
Liabilities			
Unallocated liabilities:			
Current			1,370,818
Non-current liabilities			15,240
Total liabilities			1,386,058

Operating segment information

Consolidated - 2022	Australia $	Zambia $	Total $
Assets			
Exploration assets	1,663,056	368,803	2,031,859
Unallocated assets:			
Cash and cash equivalents			481,922
Other assets			201,086
Total assets			2,714,867
Liabilities			
Unallocated liabilities:			
Current			1,892,681
Non-current liabilities			6,170
Total liabilities			1,898,851

Note 4. Other income

	Consolidated	
	2023 $	**2022 $**
Research and Development grants – Australian Taxation Office [1]	1,206,350	-
Recoverable costs [2]	158,630	-
Sale of equipment	-	3,500
	1,364,980	3,500

[1] Research and development grant – Australian Taxation Office – relating to eligible research and development work on the drill pads used in the Murdie drill program. All Murdie exploration expenditure has been impaired and remained impaired at 30 June 2023. As the refund relates to activity that would otherwise have been treated as an offset against exploration and evaluation expenditure, the amount has been treated as an investing activity in the statement of cash flows.

[2] Recoverable costs relate to the legal costs to be recovered following the Court of Appeal decision.

Note 5. Expenses

	Consolidated	
	2023	**2022**
	$	**$**
Loss before income tax includes the following specific expenses:		
Depreciation		
Motor vehicles	16,702	16,628
Office equipment	-	4,496
	16,702	21,124
Amortisation of right of use asset	-	42,171
Total depreciation and amortisation	16,702	63,295
Other expenses include:		
Audit fees [1]	90,824	116,076
Accountancy fees [1]	196,263	102,387
Legal fees [1]	959,860	322,112
Business development costs [1]	145,459	-
Consultants	18,951	132,266
Office lease, rent and maintenance	59,197	3,075
Statutory expenses [1]	155,622	84,986
Travelling and accommodation expenses	154,271	110,002
Total other expenses	1,780,447	870,904

[1] includes costs associated with the unsuccessful listing of Orpheus Minerals in December 2022

Share-based payments		
Share-based payments	-	92,259
	-	92,259
Employee benefit expense includes:		
Annual Leave expense	55,854	56,860
Director fees	210,000	266,956
Fringe benefits tax	6,575	5,260
Long service leave expense	10,582	10,882
Salary and wages	840,512	716,276
Superannuation expense	70,591	71,627
	1,194,114	1,127,861

Note 6. Income tax expense

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,201,561)	(9,840,941)
Tax at the statutory tax rate of 25% (2022: 25%)	(550,390)	(2,460,235)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	-	23,065
Non-deductible expenditure	-	413
Non assessable government incentive and tax credit income	(301,588)	-
Movements in temporary differences with no deferred tax recognised	(208,850)	965,045
Assessable government grant receipt	-	75,000
	(1,060,828)	(1,396,713)
Current year temporary differences not recognised	1,060,828	1,396,713
Income tax expense	-	-

Tax losses not recognised

Unused income tax losses carried forward to later years are $53,207,898 (2022: $48,964,585) resulting in potential tax benefits of $13,301,974 (2022: $12,241,146). 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. Unused carry forward capital losses of $11,807,010 (2022: $11,807,010) also remain unrecognised.

As Argonaut qualifies as a base rate entity in the current year and prior year the base rate of 25% has been applied to unused tax losses in the current year and prior year as this best represents the future tax benefit expected to be obtained

Note 7. Current assets - cash and cash equivalents

	Consolidated 2023 $	Consolidated 2022 $
Cash at bank*	328,700	482,742

* included in the current year balance is an amount of $7,527 (2022: $10,378) held in a Zambian bank account that has currently restricted access.

Exposure to interest rate risks is disclosed in the financial risk management Note 16.

Note 8. Current assets - trade and other receivables

	Consolidated 2023 $	Consolidated 2022 $
Other receivables	158,630	135,459
GST and VAT receivables	3,927	14,405
	162,557	149,864

Note 8. Current assets - trade and other receivables (continued)

Note 9. Other assets

	Consolidated 2023 $	Consolidated 2022 $
Prepayments	9,107	9,013
	9,107	9,013

Note 10. Non-current assets - exploration and evaluation

	Consolidated 2023 $	Consolidated 2022 $
Exploration and evaluation assets - at cost	35,543,857	34,190,185
Government Grant	-	(300,000)
Less: Impairment	(32,296,743)	(31,858,326)
	3,247,114	2,031,859

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 $	Zambia $	Total $
Balance at 30 June 2021	5,257,541	787,163	6,044,704
Impairment of assets claimed in the profit and loss	(4,353,529)	(2,845,998)	(7,199,527)
Expenditure during the year	1,059,044	2,427,638	3,486,682
Government Grant received	(300,000)	-	(300,000)
Balance at 30 June 2022	1,663,056	368,803	2,031,859
Impairment of assets claimed in the profit and loss	(66,746)	(371,671)	(438,417)
Expenditure during the year	990,804	2,868	993,672
Share based payments (Orpheus Minerals)	660,000	-	660,000
Balance as at 30 June 2023	3,247,114	-	3,247,114

The carrying value as at 30 June 2023 represents the Directors' view of the recoverable value of these assets. The recoverability of the carrying amount is dependent on successful development and commercial exploitation (or alternatively, through sale of the respective interest).

Torrens EL 6407 (previously a Joint Venture with Straits Exploration)

The Torrens project was impaired to $1,070,000 at 30 June 2021.

On 9 June 2023 the Company announced that it had entered into an agreement to acquire a 100% interest in the Torrens project exploration licence (EL 6407) in return for a 2.5% net smelter royalty on future production. The Tenement Sale and Purchase Agreement is with Straits Exploration (Australia) Pty Ltd, a subsidiary of Aeris Resources Ltd (ASX:AIS). The agreement is for the acquisition by Kelaray of an additional 70% interest in the Torrens project in South Australia to take its holding to 100%. The licence transfer is subject to Ministerial approval. As at the date of this report no value has been attributed to the acquisition of the additional 70%, while the directors decide on a future drilling program at EL 6407. The costs that are currently attributable to EL 6407 relate to the contributions that the company made to the now finished joint venture.

Lumwana West (impaired to nil as at 30 June 2022)

On 24 January 2022, the Company advised that it had become aware that Large-scale Exploration Licence 22399-HQ-LEL, Lumwana West, was not renewed by the Zambian Government on 28 December 2021 as expected. This licence area contains the Nyungu deposit. This is the area where $2,664,644 had been spent within the last twelve months on drilling on the Nyungu deposit.

At the time of the purported cancellation, the Company's 90% held subsidiary, Mwombezhi Resources Ltd, was operating in full compliance with all licence conditions and other regulatory requirements. However, Argonaut's Zambian lawyers have discovered that key compliance documents provided by the Company to its Zambian shareholders for filing were not submitted as required and this appears to have led to the cancellation of the licence.

As the license was not renewed as at 30 June 2022, it was considered a trigger for impairment under AASB 6 as a company should have the right to tenure to continue to carry the exploration and evaluation expenditure to date on the balance sheet date. The Company remains in Court disputing the nature of the non-renewal of the license with relevant authorities in Zambia. The license has been impaired to nil. Should the licence be reinstated in line with the Company's requests, the impairment of the license can be reversed.

An impairment of $2,845,998 was made on this project during the year ended 30 June 2022 and remains in place as at 30 June 2023.

All remaining exploration assets in Zambia, with a carrying value of $371,671 were fully impaired during the year. (2022: nil)

Murdie (impaired to nil as at 30 June 2022)

On 16 March 2021, the Barngarla Determination Aboriginal Corporation RNTBC (BDAC) filed an application in the South Australian Supreme Court for a review of the authorisation announced to the ASX by Argonaut on 4 January 2021. On 19-20 July 2021, the South Australian Supreme Court part-heard this application. The hearing was adjourned on the morning of Tuesday, 20 July 2021 due to the South Australian COVID lockdown. The remaining submissions were filed during July and August 2021. The Company notes that there are no registered Barngarla heritage sites at Lake Torrens. Exploration works undertaken at the Murdie project are duly authorised.

On 25 August 2022 the South Australian Supreme Court set aside the Aboriginal Heritage Act authorisation granted to Argonaut's subsidiary, Kelaray Pty Ltd, on 29 December 2020. The Directors have appealed this determination and will reapply for the authorisation. The Directors have decided to fully impair the expenditure incurred on the Murdie project. Should the authorization be reinstated or granted again the impairment of the asset will be reversed.

On 11 May 2023, the Court of Appeal overturned the Supreme Court's decision and reinstated the Murdie Section 23 authorisation.

A full impairment of $3,866,064 of the Murdie exploration assets incurred on 30 June 2022. As the decision from the Court of Appeal had only recently been handed down the directors are yet to decide on the future development of the Murdie project and to complete the 2020 drill program, so the full impairment of the asset remained in place as at 30 June 2023. During the financial year, the Company received tax receipts totalling $1,206,350 following the lodgement of the 2021 and the 2022 Company Tax Returns and relating to eligible deductions covering research and development studies relating to the drill pads used in the Murdie drill program. As detailed above the Directors are still considering the Murdie drill program, so the impairment of the asset has not yet been reversed. The receipts have been credited to the statement of profit and loss as Other income (note 4) and treated as an investing activity in the statement of cash flows.

West Lake Torrens (impaired to nil as at 30 June 2022)

The August 2022 Supreme Court decision, above, also related to the West Lake Torrens. For the 30 June 2022 financial statements, The Directors believed that it was important to fully impair those project costs until such time as there is certainty with access to the tenement.

As the decision from the Court of Appeal had only recently been handed down the directors are yet to decide on the future development of the West Lake Torrens project the full impairment of the asset remained in place as at 30 June 2023.

This impairment was $487,467 and remains in place as at 30 June 2023.

Higginsville Copper (impaired to nil as at 30 June 2022)

The Higginsville copper project was impaired at 30 June 2021 because substantive expenditure on further exploration for and evaluation of mineral deposits within the related tenement package is not budgeted, and the period for which Argonaut has the right to explore certain smaller licences in that package will expire in the near future. There is subjectivity in assessing fair value of early-stage exploration assets.

Higginsville Lithium

The Higginsville lithium project was drilled during the year. The Company is still considering the results from the drill program and is still in discussions with interested parties. The directors decided to not impair the tenement as at 30 June 2023 as the future of the project remains under discussion and the Company has paid tenement costs going forward. The directors believe there is subjectivity in assessing fair value of early-stage exploration assets.

Erudina and Cummins Uranium

The company made an announcement on 3 July 2023 that following review of exploration strategy and projects by the board of Argonaut, the Company has elected to shift its strategic direction to focus principally on its Australian uranium assets.

Expenditures during the year include an amount of $600,000 relating to the acquisition cost associated with the Purchase Share component of the consideration for the acquisition of the Cummins and Erudina licences by Orpheus Minerals Limited. The Agreements require payment by way of the issuance of Orpheus IPO shares to a value of $300,000 for each of Cummins and Erudina licenses, or, can be settled in cash at Orpheus' discretion as mentioned in below analysis.

The Directors have assessed for indicators of impairment in accordance with AASB 6, including assessing current market conditions and impact on planned expenditure, commodity prices, tenure of licences and exploration results, have concluded no indicators of impairment are present and the carrying values of assets are expected to be recovered.

Below is the analysis of the terms and conditions of the Erudina and Cummins agreement:

Consideration	Transaction Detail	Impact at 30 June 2021	Impact at 30 June 2022	Impact at 30 June 2023
$30,000 in shares ('Exclusivity shares') subject to, and to be issued immediately following, listing of the parent entity ('IPO').	The Exclusivity Shares are only issued if there is a listing. The number of shares to be issued is based on the IPO offer price.	Accounted for as a share-based payment transaction. As the fair value of the asset acquired could not be reliably determined, the transaction was recognized and measured with reference to the estimated fair value of Exclusivity Shares at the date the Agreement was executed (as a cost within exploration and evaluation assets and in the share-based payment reserve). The estimated fair value of the Exclusivity Shares took into account the likelihood of an IPO occurring (a non-vesting condition).	No change to Agreement and therefore no change to the amounts recorded.	No change to Agreement and therefore no change to the amounts recorded.
$300,000 in share in the event of Orpheus exercising its option to purchase the license.	In the event Orpheus exercises its option to acquire the Erudina or the Cummins license, an additional payment with a face value of $300,000 is to be made. Payment to be made via the issuance of IPO shares in the event of an IPO or shares in Orpheus in the event the option is exercised subsequent to IPO.	As the option to acquire the license had not been exercised by 30 June 2021, there was no amount recorded for this component of the Agreement at the balance sheet date.	The Agreement was amended to remove the requirement for Orpheus to exercise the option to purchase the license. Under the amended Agreement, shares will be issued upon IPO and following receipt of Ministerial Consent. Orpheus can elect to make cash payments in lieu of issuing the Exclusivity and Purchase shares. No amount was recorded at balance sheet date as the agreement was subject to Ministerial Consent, which was not received until 25 August 2022, and accordingly the transaction had not Completed on 30 June.	The transaction was recognised once the condition precedent regarding Ministerial consent passed on 25 August 2022 and hence was recognised in the year ended 30 June 2023. At the time of recognition on 25 August 2022 accounting standards require the Purchase Share component of the consideration to be recognised at fair value, that is $300,000 for each of the licences. Orpheus retains the right to settle the Purchase Shares via issue of Argonaut shares now that Argonaut has decided to refocus and to retain and develop its uranium assets. The Company retains the option to settle in cash), no later than 30 June 2024, subsequent to which either party may terminate the agreement.

$300,000 milestone payment ('Milestone Payment')	In the event Orpheus exercises its option to acquire the Erudina or the Cummins license, a further payment of $300,000 will be made. This payment is subject to the drilling of at least 10 exploration drill holes within the Tenement that exhibit the following minimum criteria: - 1. 500m.ppm U3O8 grade thickness accumulation with a 100ppm U3O8 grade cut-off, and 2. Minimum drill hole spacing of 100m the grade of uranium to be measured using a calibrated Gamma tool and reported as U3O8. Payment will be made via the issuance of shares, or, at Orpheus' discretion, in cash.	As the option to acquire the license had not been exercised at 30 June 2021 there was no amount recorded for this component of the Agreement at the balance sheet date.	The Agreement was amended such that the Milestone Payment will be paid in cash subject to the conditions being met. The ability of Orpheus to settle in shares was removed. This obligation is accounted for as a contingent liability in accordance with Orpheus' accounting policy for accounting for contingent consideration payable in an asset acquisition This means this amount will only be recognised when the requirement to make the payment becomes unconditional.	No change to Agreement and therefore no change to the amounts recorded as contingent liability.

Note 11. Current liabilities - trade and other payables

	Consolidated	
	2023	2022
	$	$
Trade payables	641,266	796,569
Other payables and accruals	270,868	694,793
	912,134	1,491,362

Refer to note 16 for further information on financial instruments.

Note 12. Liabilities - employee benefits

	Consolidated	
	2023	2022
	$	$
Current Liability - Annual leave	186,825	130,971
Current Liability – Long service leave	271,859	270,348
Current Liability – employee benefits	458,684	401,319
Non-Current Liability - Long service leave	15,240	6,170

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 annual leave and long service leave or require payment within the next 12 months.

Note 13. Equity - issued capital

	Consolidated			
	2023 Shares	**2022 Shares**	**2023 $**	**2022 $**
Ordinary shares - fully paid	6,337,871,276	3,595,025,295	65,509,431	62,397,780

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance – 1 July 2021	30 June 2021	3,582,204,782		62,347,522
Issue of shares – placement	14 June 2022	12,820,513	0.0039	50,000
Share issue costs - adjustments				257
Balance	30 June 2022	3,595,025,295		62,397,779
Rights issue	23 September 2022	1,809,512,648	0.0010	1,809,512
Issue of shares - placement	7 November 2022	933,333,333	0.0015	1,400,000
Share issue costs				(97,860)
		6,337,871,276		65,509,431

1. On 23 September 2022, the company announced a rights issue for all shareholder to participate. The company raised $1,809,512 through the rights issue at the price of $0.0010 per share.
2. On 7 November 2022, the Company issued 933,333,333 fully paid ordinary shares to sophisticated and professional investors in a private placement for $0.0015 per share, raising a total of $1,400,000 before costs.

Ordinary shares – fully paid
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.

Treasury shares (Loan Funded Shares)
Treasury shares relates to shares issued in connection with awards made to employees under the Company's Incentive Plan. Treasury shares (Loan Funded Shares) cannot be traded until such time as the recipient repays the limited recourse loan attached to each award. Once repayment is made, treasury shares are presented as fully paid ordinary share capital. At 30 June 2023 24,000,000 (2022: 24,000,000) Loan Funded Shares were on issue.

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.

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	
	2023	**2022**
	$	**$**
Share-based payments reserve – 1 July	2,244,219	2,091,701
Movements during the year	-	152,518
	2,244,219	2,244,219

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.

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. Due to the size and quantum of interest income, 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, The group does not hold any collateral.

The group has limited credit risk as currently not under operation.

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.

Consolidated - 2023	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	-	641,266	-	-	-	641,266
Other payables	-	270,868	-	-	-	270,868
Total non-derivatives		912,134	-			912,134

Consolidated - 2022	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	-	796,569	-	-	-	796,569
Other payables	-	694,793	-	-	-	694,793
Total non-derivatives		1,491,362	-			1,491,362

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 approximates their fair value due to their short-term nature.

Note 17. Key management personnel disclosures

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

P J D Elliott – appointed 30 June 2003
L J Owler – appointed 1 June 2005, retired 31 July 2023
A W Bursill – appointed 16 April 2010
M R Billing - appointed 3 August 2021

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

	Consolidated	
	2023	2022
	$	$
Short-term employee benefits	673,051	678,431
Post-employment benefits	30,264	42,375
Long-term benefits	5,858	20,236
Share-based payments	-	92,093
	709,173	833,135

Note 18. 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	
	2023	2022
	$	$
Audit services - Ernst & Young		
Audit or review of the financial statements of the parent entity and Group	77,425	58,500
Audit or review of the subsidiary's financial statement *	37,000	113,500
	114,425	172,000
Other assurance services - Ernst & Young		
Independent Limited Assurance Report **	-	50,000
Other services - Ernst & Young		
Tax compliance	16,600	16,600
Grant application services	-	25,000
	131,025	263,600

* The fee for the audit of the subsidiary financial statements comprises the audit of Orpheus Minerals Limited for the financial year ending 30 June 2022 and 30 June 2021, and the half year reviews for the periods ended 31 December 2020 and 31 December 2021, respectively.
** Fees relating to the FY22 IPO services for Orpheus Minerals Limited.

Note 19. Related party transactions

Parent entity
Argonaut Resources NL is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 21.

Joint operations
Interests in joint operations are set out in note 22.

Transactions with related parties
There are no transactions with related parties.

Key management personnel
Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

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

Note 20. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2023 $	2022 $
Loss after income tax	(1,748,439)	(9,840,941)
Total comprehensive income / (loss)	(1,748,439)	(9,840,941)

Statement of financial position

	Parent	
	2023 $	2022 $
Total current assets	463,815	641,619
Total assets	3,722,484	2,714,867
Total current liabilities	1,244,219	1,892,681
Total liabilities	1,259,459	1,898,851
Total equity	2,463,024	816,016

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 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at 30 June 2023 and 30 June 2022.

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.

Note 21. 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 2023 %	2022 %
Kelaray Pty Limited	Australia	100.00%	100.00%
Trachre Pty Limited	Australia	100.00%	100.00%
Orpheus Minerals Limited	Australia	66.67%	66.67%
Argonaut Resources Overseas Investments Limited	British Virgin Islands	100.00%	100.00%
Sunrise International Investments Limited	British Virgin Islands	100.00%	100.00%
Arctic Scene Ltd	Hong Kong	100.00%	100.00%
Lumwana West Resources Limited	Zambia	100.00%	100.00%
Mwombezhi Resources Limited	Zambia	90.00%	90.00%
Sunrise Exploration and Mining Limited	Zambia	99.90%	99.90%

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

Note 22. Interests in joint operations

Information relating to joint operations are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	2022 %
EL 6569 - Sandstone	South Australia - Gold	3.30%	3.30%
EL 5998 - Campfire Bore	South Australia - Gold	3.30%	3.30%
22399-HQ-LPL Lumwana West	Zambia - Copper	90.00%	90.00%
Higginsville	Western Australia – Lithium / Gold / Nickel	80.00%	50.00%
EL 6407 – Torrens *	South Australia – Copper / Gold	30.00%	30.00%

* refer to Note 10 regarding the agreement to acquire the remaining 70% interest in the Torrens project exploration licence (EL 6407) from Straits Exploration (Australia) Pty Ltd, a subsidiary of Aeris Resources Ltd (ASX:AIS). The licence transfer remains subject to Ministerial consent.

Note 23. Events after the reporting period

On 3 July 2023 the Company announced a placement of 954,280,691 fully paid ordinary shares at an issue price of $A0.0005. to raise A$477,140 before costs. The placement was made to sophisticated and professional investors.

On 3 July 2023 following review of exploration strategy and projects by the board of Argonaut, the Company has elected to shift its strategic direction to focus principally on its Australian uranium assets.

On 31 July 2023 the managing director of Argonaut, Lindsay Owler retired after 26 years working for Argonaut.

At the General Meeting of shareholders held on 20 September 2023 the shareholders approved the consolidation of capital resulting in one share held for each 100 pre consolidation shares held. Following the Consolidation, the Company intends to conduct a fully underwritten entitlement offer, at the same effective Offer Price as the Placement on a post consolidation basis of $0.05 per share. The Entitlement Offer will be offered on a one (1) for one (1) basis, to raise a further $3.65 million before costs associated with the issue ("Entitlement Offer", together with the Placement the "Offer").

At the date of this report the Company applied to the ASX to commence the consolidation process. The Company has announced to the market that the consolidation process will be completed on 27 September 2023, as follows:

Type of security	number on issue Pre - consolidation	number on issue Post - consolidation	Revised exercise price
Ordinary shares	7,316,151,967	73,161,520	
Unquoted options expiring 30 Nov 2026 @ 0.02c	10,000,000	100,000	$0.02
Unquoted options expiring 11 Aug 2025 @ 0.02c	30,000,000	300,000	$0.02

No matter or circumstance has arisen since 30 June 2023 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 24. Reconciliation of loss after income tax to net cash used in operating activities

	2023 $	2022 $
Loss after income tax expense for the year	(2,201,561)	(9,840,941)
Adjustments for:		
Research and development incentive received	(1,206,350)	
Depreciation and amortisation	16,702	63,295
Foreign exchange adjustments	(43,580)	
Share-based payments	-	92,259
Impairment of exploration and evaluation asset	438,417	7,199,527
Change in operating assets and liabilities:		
Increase in trade and other receivables	(12,787)	240,697
Increase/(decrease) in trade and other payables	(469,213)	496,430)
Net cash used in operating activities	(3,478,372)	(1,748,733)

Note 25. Earnings per share

	Consolidated 2023 $	2022 $
Loss after income tax attributable to the owners of Argonaut Resources NL	(2,201,561)	(9,840,941)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	5,591,572,475	3,606,801,902
Weighted average number of ordinary shares used in calculating diluted earnings per share	5,591,572,475	3,606,801,902
	Cents	**Cents**
As at 30 June 2023		
Basic earnings per share	(0.0394)	(0.270)
Diluted earnings per share	(0.0394)	(0.270)
Post consolidation – as at the date of this report		
Basic earnings per share	(0.0394)	(0.270)
Diluted earnings per share	(0.0394)	(0.270)

There are approximately 40 million (2022: 68 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.

On 22 September 2023 the Company's shareholders approved the consolidation of its issued share capital on the basis that every 100 fully paid ordinary share s be consolidated into 1 fully paid ordinary share (rounded up to the next whole number of shares). The total number of shares used in calculating basic and diluted earnings per share as at 30 June 2023 and 30 June 2022 has not been adjusted for the effects of the share consolidation as it has not been completed at the date of this financial report.

The total number of shares used in calculating basic and diluted earnings per share as at 30 June 2023 and 30 June 2022 has been adjusted for the effects of the bonus components of rights issues undertaken during the financial year ended 30 June 2023. The earnings per share for 2022 has been restated to take account of these impacts.

Note 28. Contingent liability

An amount of $600,000 (being $300,000 each on the Cummins and Erudina license) is payable in cash by Orpheus Minerals Limited in satisfaction of minimum criteria relation to these tenements as mentioned in Note 10 above.

Note 29. Share based payments

A share option plan was established by the consolidated entity and was 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. All options vested on the grant date. During the financial year ended 30 June 2023, no options were issued (2022: 10 million were issued to M R Billing authorised at the 2021 annual general meeting of shareholders).

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
14/12/2016	31/12/2021	$0.030	22,000,000	-	-	(22,000,000)	-
03/11/2017	31/12/2022	$0.030	28,000,000	-	-	-	28,000,000
11/08/2020	11/08/2025	$0.020	30,000,000	-	-	-	30,000,000
30/11/2021[1]	30/11/2026	$0.020	-	10,000,000	-	-	10,000,000
			80,000,000	10,000,000	-	(22,000,000)	68,000,000
Weighted average exercise price			$0.028	$0.020	$0.000	$0.030	$0.024

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
03/11/2017	31/12/2022	$0.030	28,000,000	-	-	(28,000,000)	-
11/08/2020	11/08/2025	$0.020	30,000,000	-	-	-	30,000,000
30/11/2021[1]	30/11/2026	$0.020	10,000,000	-	-	-	10,000,000
			68,000,000	-	-	(28,000,000)	40,000,000
Weighted average exercise price			$0.028	$0.000	$0.000	$0.030	$0.024

The weighted average remaining contractual life of options outstanding as at the end of the financial year was 3.25 years (2022: 2.8 years)

Treasury Shares (Loan Funded Shares)
As approved by the shareholders at the 2018 AGM, under the Employee Incentive Plan (EIP) up to 40,000,000 Loan Funded Shares were made available to Mr Owler in 3 annual tranches, with vesting dates ranging from 12 months following the 2018 AGM through to 12 months following the 2020 AGM. The Loan Funded Shares were available, funded by a limited recourse loan from the Company, pursuant to the terms of the EIP.

After the 2020 AGM 24,000,000 shares, representing the first two tranches of shares (24,000,000 shares) were issued to L J Owler. Tranche 3, or 16,000,000 shares remained available. The issued shares are subject to restrictions and cannot be traded or sold until such time as the limited recourse loan provided to fund the shares is repaid in accordance with the Loan Agreement. The loan is interest free and has a five year term. Following the retirement of L J Owler on 31 July 2023 the Loan Funded Shares, will be cancelled subject to a resolution to be voted on at the 2023 Annual General Meeting.

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 2023 and of its performance for the financial year ended on that date; and
- subject to the matters discussed in Note 1, 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

25 September 2023

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Independent auditor's report to the members of Argonaut Resources N.L.

Report on the audit of the financial report

Opinion

We have audited the financial report of Argonaut Resources N.L. (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other 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 2023 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 (including Independence Standards)* (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

We draw attention to Note 1 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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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.

Carrying value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As at 30 June 2023 the Group held exploration and evaluation assets of $3.2m as disclosed in Note 10, which represents 86% of the total assets of the Group. Exploration and evaluation assets are initially recognised at cost and any additional expenditure is capitalised to the exploration and evaluation asset in accordance with the Group's accounting policy as disclosed in Note 1. At each reporting date the Directors assess the Group's exploration and evaluation assets for indicators of impairment. The decision as to whether there are indicators that require the Group's exploration and evaluation assets to be assessed for impairment in accordance with Australian Accounting Standards involved judgments, including whether the rights to tenure for the areas of interest are current; the Group's ability and intention to continue to evaluate and develop the area of interest, and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. The Group impaired the Murdie tenement in South Australia in 2022 and additional exploration expenditures capitalised in respect of Murdie in 2023 have subsequently been impaired. Following the impairment of the Lumwana West tenement in Zambia in 2022 and outcomes of appeals during 2023, the Groups other tenements in Zambia have been impaired in the year ended 30 June 2023. Refer to the disclosures set out in Note 10 of the financial report. We consider this a key audit matter due to the value of the exploration and evaluation asset relative to the Group's total assets and the significant judgment involved in assessing whether indicators of impairment exist and whether impairment of assets is required at 30 June 2023.	Our audit procedures to address the Group's assessment of impairment indicators for exploration and evaluation assets included: ▸ Assessing the Group's right to explore in the relevant exploration area, which included obtaining relevant documentation such as license agreements. ▸ Reviewing the results of exploration and evaluation activities carried out in the relevant license areas to date. ▸ Assessing the Group's intention to carry out further exploration and evaluation activity in the relevant areas of interest, which included an assessment of the Group's cash-flow forecasts and discussions with management as to the intentions and strategy of the Group in the short and medium term. ▸ Agreeing a sample of costs capitalised for the period to supporting documentation and considering whether these costs met the requirements of Australian Accounting Standards and the Group's accounting policy. ▸ Considering whether any other data or information exists which indicates that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale. ▸ Assessing the exploration and evaluation impairment expense recognised in the period and reviewing the impairment indicators in respect of those permits. ▸ Evaluating events occurring after balance sheet date and if they are considered adjusting events as at 30 June 2023 under the requirements of Australian Accounting Standards. ▸ Assessing the adequacy of disclosures included in the Note 10 to the financial report.

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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 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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, 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:

- ► 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.

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- 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, actions taken to eliminate threats or safeguards applied.

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 25 to 29 of the directors' report for the year ended 30 June 2023.

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In our opinion, the Remuneration Report of Argonaut Resources N.L. for the year ended 30 June 2023, 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

L A Carr

L A Carr
Partner
Adelaide
25 September 2023

Shareholder information

As at 30 June 2023

ISSUED CAPITAL

The Company has 7,316,151,967 fully paid shares on issue.

OPTIONS ON ISSUE

The Company has on issue 40,000,000 options.

There are no listed options.

ASX LISTING

Listed on the Australian Securities Exchange.

ASX Code: ARE

ABN: 97 008 084 848

ADDRESS

Level 6, 100 Pirie Street, Adelaide, SA 5000

Telephone number: +61 8 8231 0381

VOTING RIGHTS

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote.

Option holders have no voting rights until the options are exercised.

The shareholder information set out below was applicable as at 20 September 2023.

DISTRIBUTION OF EQUITABLE SECURITIES

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

		Ordinary shares			
Range	**Holders**	**Total units**	**% of total shares issued**	**Exercise price $0.02, Expiry 30/11/2026**	**Exercise price $0.02, Expiry 11/08/2025**
1 to 1,000	163	43,471	0.00%	-	-
1,001 to 5,000	55	139,441	0.00%	-	-
5,001 to 10,000	31	249,355	0.01%	-	-
10,001 to 100,000	925	54,493,080	0.74%	-	-
100,001 and over	2,250	7,261,226,620	99.25%	1	3
	3,424	7,316,151,967		1	3

UNMARKETABLE PARCELS OF ORDINARY SHARES

Minimum $500 parcel – $0.001 per security

Minimum parcel size – 500,000 Ordinary shares

Number of holders – 2,138

EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

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

Top 20 Holdings as at 20 September 2023	Balance as at 20-Sept 2023	%
MR PAUL JOHN PHEBY	513,005,962	7.012%
CLELAND PROJECTS PTY LTD <CT A/C>	466,666,667	6.379%
BUDWORTH CAPITAL PTY LTD <ROLLING HILLS CAPITAL A/C>	250,000,000	3.417%
SEASCAPE CAPITAL PTY LTD <WILLIAMS TRADING A/C>	250,000,000	3.417%
MR DAVID JAMES FRANKS & MR WALTER GEORGE FRANKS <DELPHINI SUPER FUND A/C>	170,000,002	2.324%
MR SIMON SALIBA	150,001,000	2.050%
REDCLIFF PTY LTD <MCGHEE SUPER FUND A/C>	130,000,000	1.777%
CITICORP NOMINEES PTY LIMITED	123,143,084	1.683%
SKED PROPRIETARY LIMITED <SKED SUPERANNUATION FUND A/C>	120,500,000	1.647%
MS NARGHIS SULTANA	101,710,003	1.390%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	98,772,263	1.350%
PUNTERO PTY LTD	74,789,384	1.022%
MR ALAN VICTOR DOUBELL	70,500,000	0.964%
MR ANDREW LENOX HEWITT	70,000,000	0.957%
BARON NOMINEES PTY LTD	63,186,758	0.864%
CITYCASTLE PTY LTD	62,500,000	0.854%
CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	59,587,854	0.814%
COMSEC NOMINEES PTY LIMITED	57,645,687	0.788%
MR SETAYESH BEHIN-AIN	52,379,276	0.716%
MICHAEL ANDREW WHITING & TRACEY ANNE WHITING <WHITING FAMILY S/F A/C>	50,000,000	0.683%
MISS MICHELLE JOHANNE SEAGROTT	50,000,000	0.683%
PCAS (AUSTRALIA) PTY LTD <PCAS INVESTMENT A/C>	50,000,000	0.683%
LONGRIDGE PARTNERS PTY LTD	50,000,000	0.683%
Total securities of top 20 holdings	3,084,387,940	42.159%
Total of securities	7,316,151,967	

UNQUOTED EQUITY SECURITIES

	Number on issue	Numbers of holders
Unlisted options exercise price $0.02, Expiry date 30/11/2026	10,000,000	1
Unlisted options exercise price $0.02, Expiry date 11/08/2025	30,000,000	3
	40,000,000	

SUBSTANTIAL HOLDERS

The substantial holders of ordinary shares as at 20 September 2023 are:

	Balance as at 20-Sept 2023	%
MR PAUL JOHN PHEBY	513,005,962	7.012%
CLELAND PROJECTS PTY LTD <CT A/C>	466,666,667	6.379%

Tenement schedule

as at 30 June 2023

TABLE 1 SUMMARY OF MINING TENEMENTS

South Australian Mineral Exploration Licences

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
EL 6569	18/10/2020	17/10/2025	104	Sandstone	Coombedown Resources Pty Ltd	10%[1]
EL 5998	21/05/2017	20/05/2028	33	Campfire Bore	Coombedown Resources Pty Ltd	10%[1]
EL 6199[2]	04/06/2018	03/06/2023	27	Myrtle Springs	Kelaray Pty Ltd	100%
EL 6407	18/08/2019	17/08/2024	295	Lake Torrens	Kelaray Pty Ltd	100%[5]
EL 5937[2]	30/03/2017	29/03/2022	794	West Lake Torrens	Kelaray Pty Ltd	100%
EL 5945[2]	20/04/2017	19/04/2022	221	Murdie	Kelaray Pty Ltd	100%
EL 6320	28/02/2019	27/02/2024	198	Andamooka Station	Kelaray Pty Ltd	100%
EL 6554	07/12/2020	06/12/2025	960	Frome Downs	Trachre Pty Ltd	100%[4]
EL 6555	07/12/2020	06/12/2025	947	Curnamona	Trachre Pty Ltd	100%[4]
EL 6624	23/07/2021	22/07/2027	952	Cummins	Trachre Pty Ltd	100%[4]
EL 6703	3/02/2022	2/02/2028	987	Erudina	Trachre Pty Ltd	100%[4]
EL 6900	19/01/2023	18/01/2029	143	Billeroo	Trachre Pty Ltd	100%[4]
EL 6913	9/06/2023	8/06/2029	998	Mundowdna	Trachre Pty Ltd	100%[4]
EL 6914	9/06/2023	8/06/2029	990	Muloorina	Trachre Pty Ltd	100%[4]
EL 6915	9/06/2023	8/06/2029	978	Clayton	Trachre Pty Ltd	100%[4]

South Australian Mineral Exploration Licence Applications

Tenement	Applied	Expiry	Area (km^2)	Locality	Licensee	Interest
2022/00007	11/02/2022	-	977	Lake Frome	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	31/08/2026	0.64	Kroombit	Kelaray Pty Ltd	100%

Zambian Large Scale Exploration Licences

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
22399-HQ-LEL[3]	29/12/2017	28/12/2021	521	North Western Province	Mwombezhi Resources Ltd	90%
23232-HQ-LEL[2]	10/04/2019	09/04/2023	226	North Western Province	Sunrise Exploration and Mining Limited	90%
23474-HQ-LEL[2]	18/12/2018	17/12/2022	41.58	North Western Province	Sunrise Exploration and Mining Limited	90%

Zambian Small Scale Exploration Licences

Tenement	Granted	Expiry	Area (km^2)	Locality	Licensee	Interest
26458-HQ-SEL	10/06/2020	09/06/2024	9.72	North Western Province	Sunrise Exploration and Mining Limited	90%

WESTERN AUSTRALIAN MINERAL EXPLORATION LICENCES						
Tenement	**Granted**	**Expiry**	**Area (km²)**	**Locality**	**Licensee**	**Interest**
E15/1489	14/08/2017	13/08/2027	52	Higginsville	Argonaut Resources NL	80%

NORTHERN TERRITORY MINERAL EXPLORATION LICENCES						
Tenement	**Granted**	**Expiry**	**Area (km²)**	**Locality**	**Licensee**	**Interest**
EL 31451	08/09/2017	07/09/2023	484.52	Mount Douglas	Trachre Pty Ltd	100%[4]
EL 33075	3/01/2023	2/01/2029	103.63	Mount Douglas (Ban Ban)	Trachre Pty Ltd	100%[4]
EL 33088	3/01/2023	2/01/2029	473.23	Woolner	Trachre Pty Ltd	100%[4]
EL 33089	3/01/2023	2/01/2029	458.81	Marrakai	Trachre Pty Ltd	100%[4]

NORTHERN TERRITORY MINERAL EXPLORATION LICENCE APPLICATIONS						
Tenement	**Applied**	**Expiry**	**Area (km²)**	**Locality**	**Licensee**	**Interest**
ELA 32445	25/06/2020	-	230.24	T-Bone	Trachre Pty Ltd	100%[4]
ELA 32446	25/06/2020	-	63.71	Ranger NE	Trachre Pty Ltd	100%[4]
ELA 32038	22/11/2018	-	127.49	Mount Douglas (Mary River)	Trachre Pty Ltd	100%[4]

TABLE 2 SUMMARY OF MINING TENEMENTS ACQUIRED IN QUARTER

There were no tenements acquired in the June 2023 Quarter.

TABLE 3 SUMMARY OF MINING TENEMENTS SURRENDERED IN QUARTER

There were no tenements surrendered in the June 2023 Quarter.

1 *Kelaray holds a 33% interest in Coombedown Resources Pty. Ltd.*
2 *Undergoing renewal.*
3 *Licence subject to litigation.*
4 *Argonaut holds a 67% interest in Trachre Pty Ltd via Orpheus Minerals Ltd.*
5 *Subject to Ministerial consent.*

Argonaut
RESOURCES NL