

31 October 2014

## SEPTEMBER 2014 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

### HIGHLIGHTS:

- Deep drilling program design completed for testing the Kempfield Western Prospective Area VMS feeder zone and lenses - targeting high grade zinc, lead, copper and gold
- \$158,400 NSW Government funding awarded to support the drilling program - based on merit
- Significant advances in geophysics (MMR) for lead zinc detection
- Large copper porphyry copper gold target identified at West Wyalong Project - now 51% Argent
- \$173,000 Research & Development Claim lodged

### KEMPFIELD & WEST WYALONG PROJECTS ADVANCE TO 'COMPANY MAKER' POTENTIAL

Argent Minerals Limited (ASX: ARD, Argent, Argent Minerals or the Company) has had another strong quarter of achievements, with the Company's portfolio significantly upgraded by the advances of its top two projects to 'company maker' potential - the Kempfield Polymetallic Project and the West Wyalong Project.

#### Kempfield Polymetallic Project advances to deep drilling program

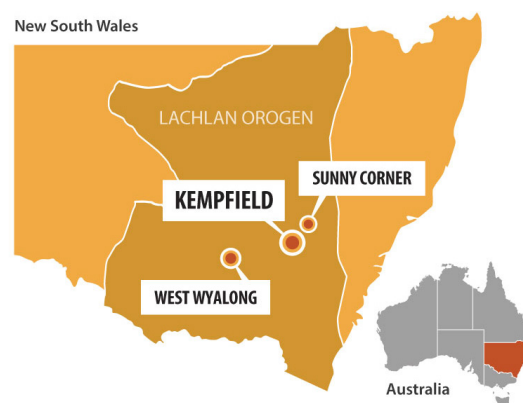
Argent's 100%-owned flagship project, Kempfield, is now firmly positioned as a base and precious metals project with significant exploration upside potential identified immediately to the west of the existing JORC 2012 Mineral Resource (Western Prospective Area).

The identified exploration potential for this area features high grade zinc, lead, copper and gold associated with a high temperature VMS feeder zone. The discovery of sufficient additional high grade base and precious metal tonnage could provide the potential to propel Kempfield onto the Australian map as a much needed producer during a period of forecast zinc shortages.

On 29 October 2014 Argent announced details of a comprehensive deep drilling program designed to test the VMS feeder zone and lens targets in the Kempfield Western Prospective Area.

The quality of the targets and the drill program is reflected in the award of one of the five largest grants by the NSW Government under its 2014 Cooperative Drilling Program. During the quarter \$158,400 of highly contested funding was awarded by the NSW Government for the Kempfield drilling program based on merit, which was assessed by an independent panel of expert geoscientists.

The targets have been developed through a combination of advanced exploration techniques, and drawing on a range of industry best-practice expertise including the Company's in-house expert Dr. Vladimir David who has a track record in VMS deposit discovery. During the quarter Argent developed a comprehensive model of interpreted mineralisation that has not been detected by traditional survey techniques. A systematic approach has been developed, based on a genesis model framework supported by geochemistry and an advanced geophysics program. The geophysics program combined the results of induced polarisation (IP) surveys and the magnetometric resistivity (MMR) surveys conducted during the quarter, to provide a new and innovative method for the detection of lead zinc mineralisation at Kempfield. This has provided the Company with fresh insight into the potential mineralisation lens structures, which are now ready for drill-testing (see Figures 1 and 2).



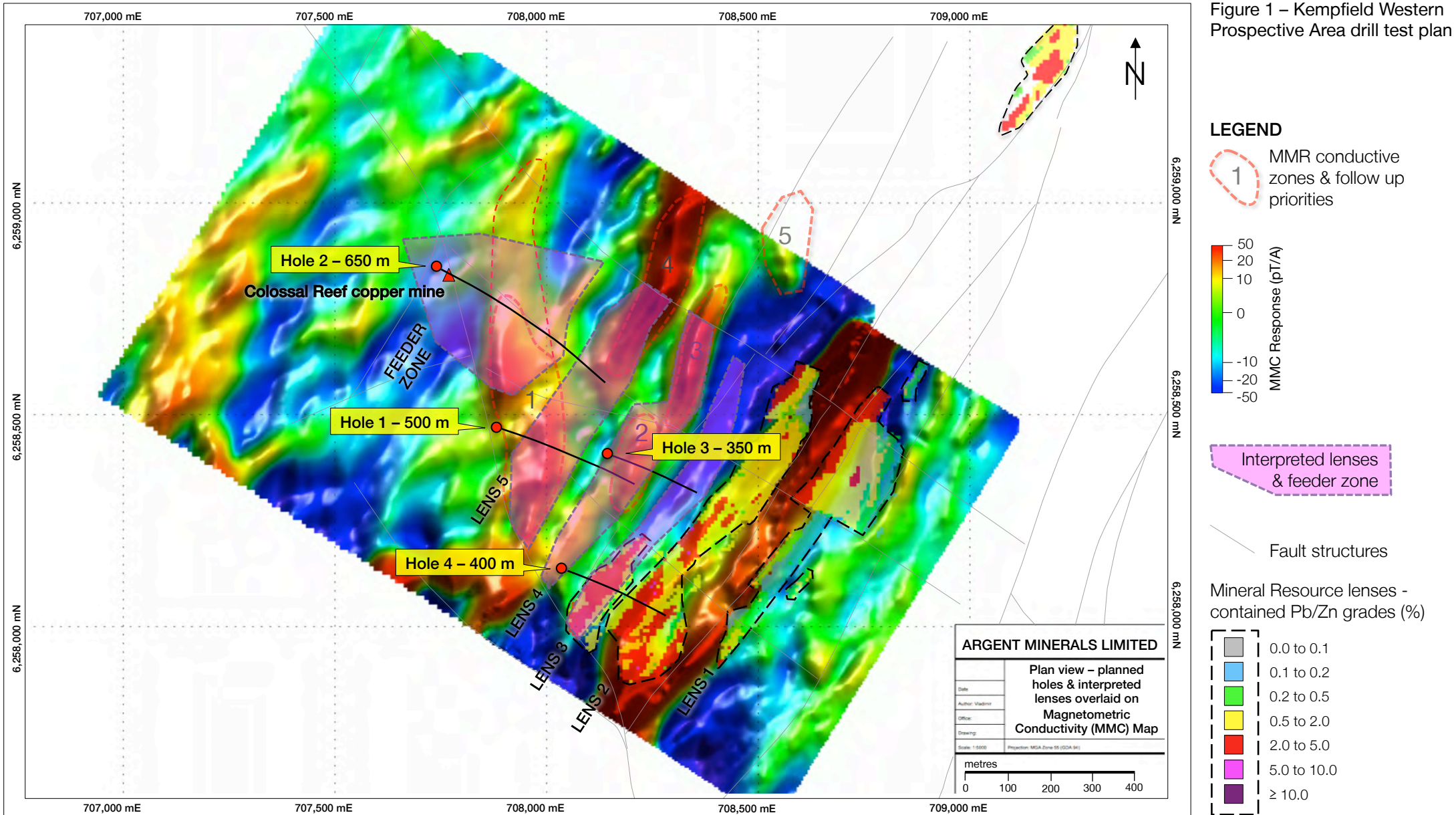
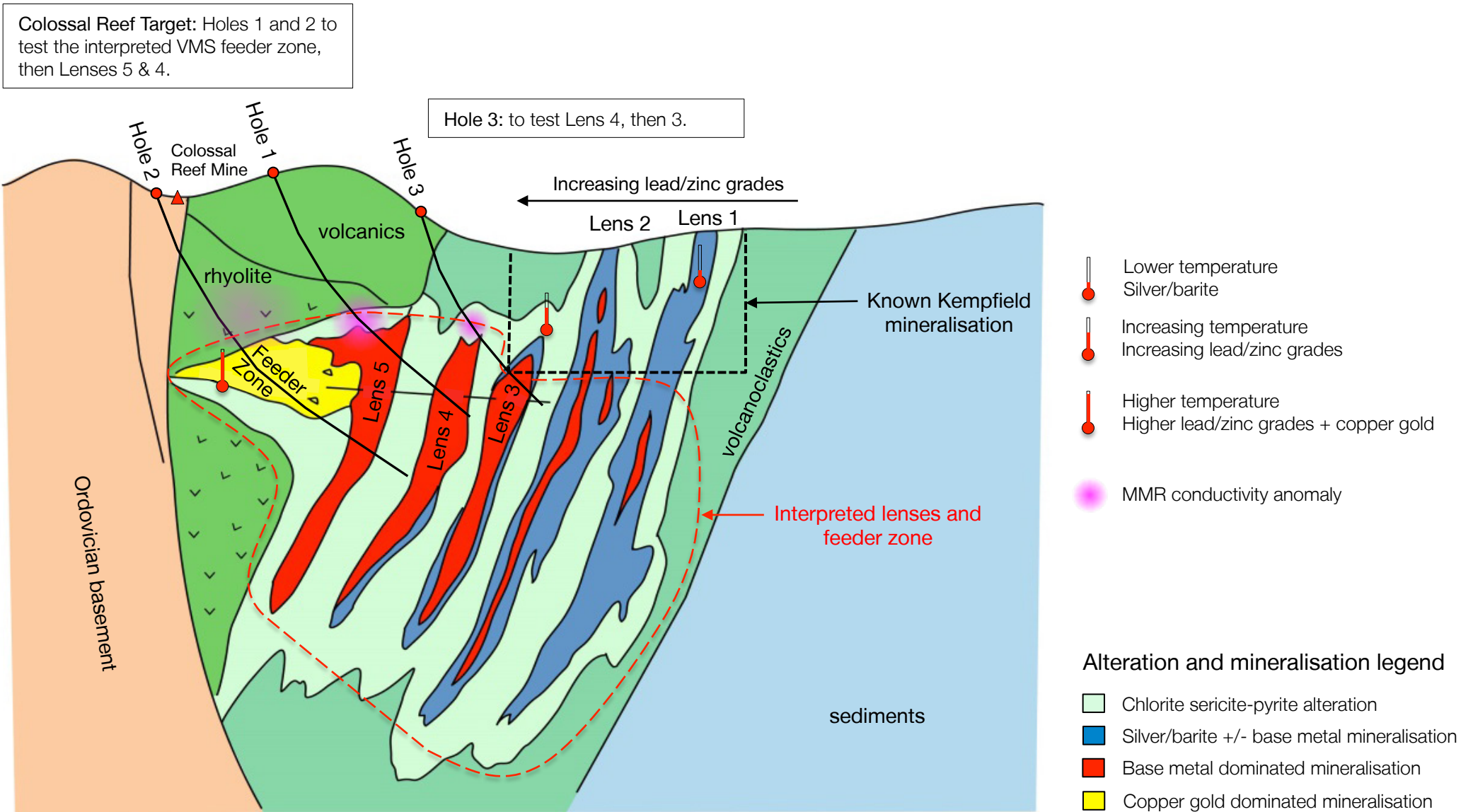




Figure 2 – Cross section of design for Holes 1, 2 & 3 for testing interpreted lenses and feeder zone – conceptual model



**West Wyalong Project now on the map with a sizeable Australian porphyry copper-gold target**

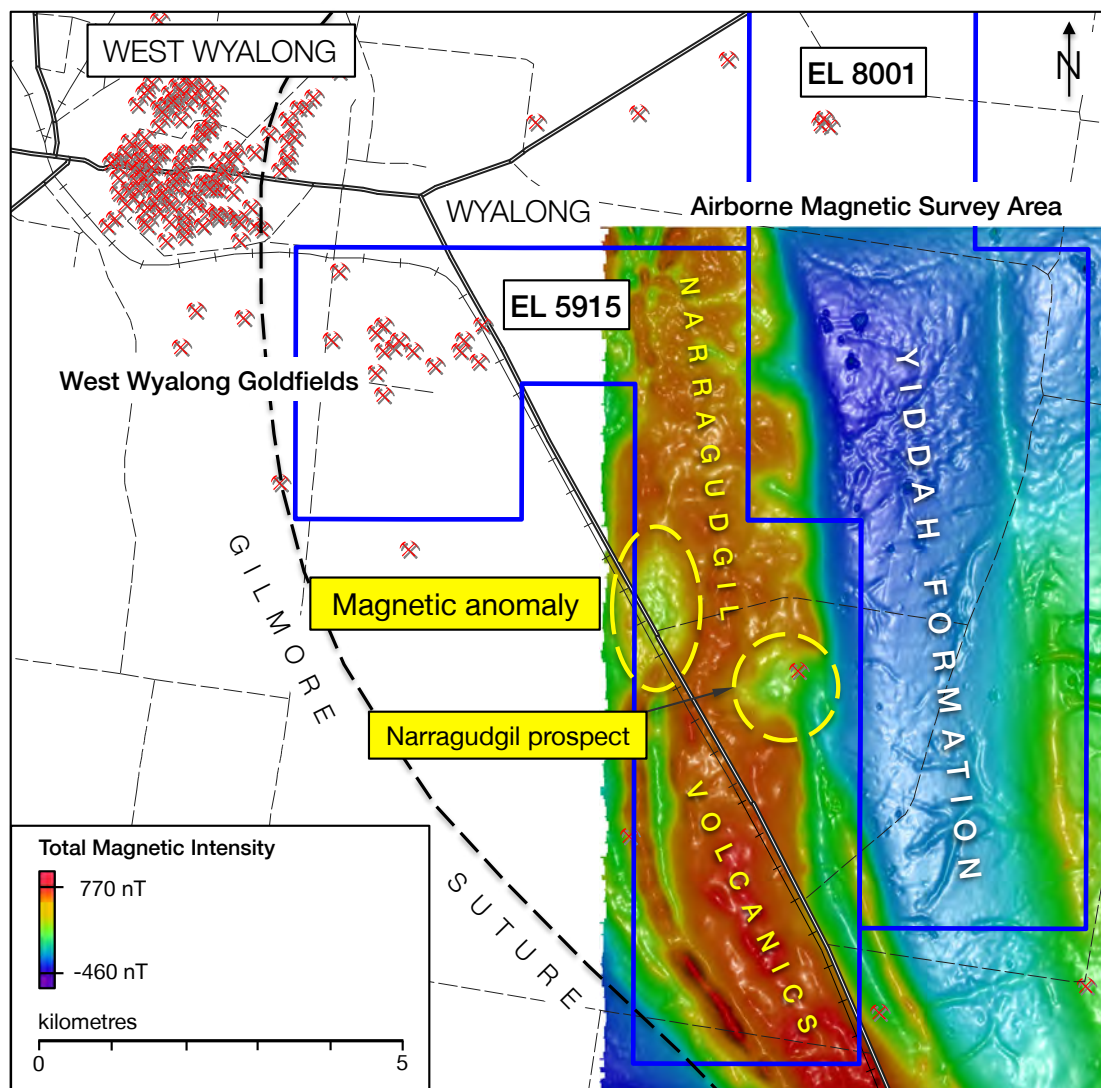
On 17 July 2014 Argent Minerals announced that an airborne high resolution magnetic survey at the West Wyalong Project had identified a large magnetic low anomaly in Ordovician volcanics which host world-class porphyry copper-gold mines such as Newcrest's Cadia, China Molybdenum's Northparkes, and 37 kilometres to the north of West Wyalong - Barrick Gold's Lake Cowal mine.

The co-location of the magnetic anomaly with an IP chargeability high anomaly, and the strong copper-gold geochemistry intercepted above it by shallow air core drilling, together confirm a potentially large porphyry copper-gold target. The interpreted dimensions of the magnetic anomaly are significant, being approximately 1.4 kilometres in the north-south direction, 800 metres from east to west, and extending to depth from 200 metres.

This is a very exciting development for the West Wyalong Project, placing it on the map as a sizeable Australian porphyry copper-gold target, in which Argent has now earned a 51% interest. If it is connected to the same structure as the Company's Narragudgil Prospect 2 kilometres to the south east, then Argent may have identified the potential for a major discovery in this rich, fertile area which has produced some of Australia's best copper-gold deposits.

Figure 3 shows the location and size of the anomaly in the geological context.

**Figure 3 - Geological setting, regional map and airborne magnetic survey area**





Figures 4a and 4b show a side by side comparison plan view of the magnetic low and the chargeability high identified over the area of interest. Figures 5a and 5b are to the same scale as Figures 4a and 4b, and show the related cross sections of the interpreted models of the anomalies to a depth of approximately 625 metres from surface.

Figure 4a - Magnetic low anomaly (plan view)

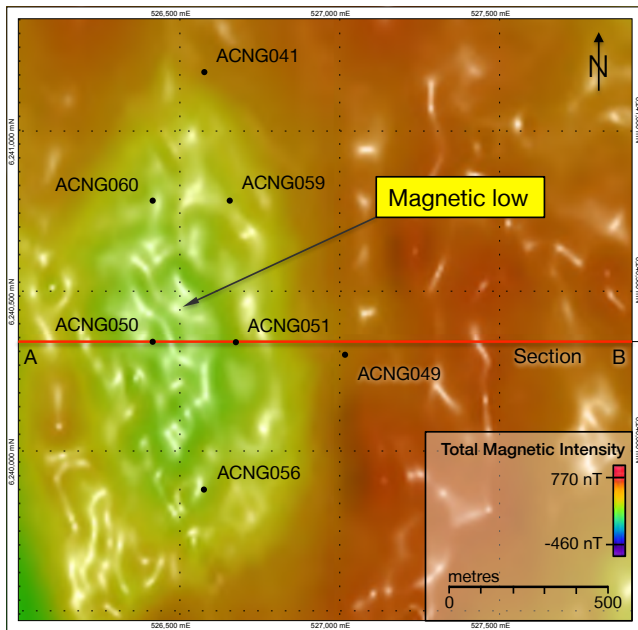


Figure 4b - IP chargeability for same area as Figure 4a

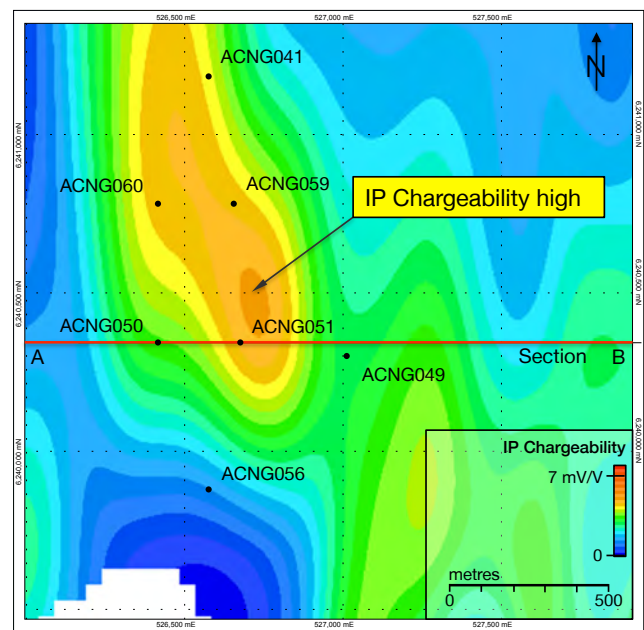


Figure 5a - Magnetic low anomaly (cross section AB)

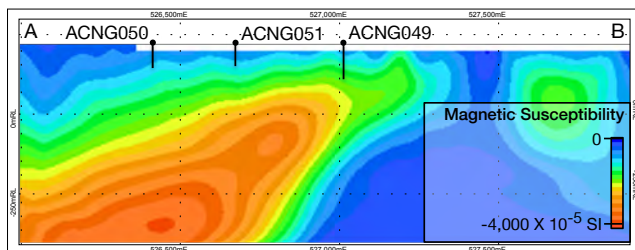
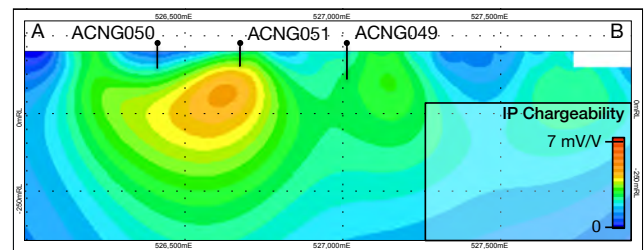


Figure 5b - IP chargeability (cross section AB)



Argent has determined that the anomalies are to be tested as a priority.

Prior to drill testing of this anomaly, the area of the magnetic low will be surveyed with more closely spaced deeply penetrating IP, such as a 100 metre by 200 metre offset pole-dipole survey. The model generated from such a survey would be more accurate in terms of defining the strongest IP chargeability response to aid in precision drillhole planning.

Argent now has the right to increase its interest to 70% in the West Wyalong Farmin and Joint Venture Agreement between Argent Minerals Limited and Golden Cross Operations Pty Ltd, a wholly owned subsidiary of Golden Cross Resources Limited. The 70% will be earned by Argent investing a further \$482,288 in the project by 9 January 2016.



## RESEARCH & DEVELOPMENT CLAIM, NSW GOVERNMENT GRANT, AND ARGENT BALANCE SHEET MANAGEMENT

Argent has developed a track record in efficient balance sheet management, having diluted the ordinary shares on issue by only 10.5% since August 2011. A significant contributor to this outcome is the Company's pursuit of alternate funding sources such as research and development (R&D) claims, and more recently, the award of the NSW Government funding for the Kempfield drilling project.

The most recent research claim of approximately \$173,000 takes the total R&D claims to approximately \$2 million since July 2013. This funding has been instrumental in Argent adding significant value to its project portfolio - now comprising two significant projects with 'company maker' potential - Kempfield, firmly a base metal focused project with significant identified exploration upside that will be tested with the deep diamond drilling program; and the West Wyalong Project, with the large porphyry copper gold target identified during the quarter.

## CASH POSITION

The available cash position for Argent Minerals as at 30 September 2014 was approximately \$537,000.

Appendix A provides details of Argent Minerals exploration tenements according to ASX Listing Rule 5.3.3 requirements, and is followed by Appendix 5B.

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## APPENDIX A – TENEMENT INFORMATION

The following mining tenement information is provided pursuant to Listing Rule 5.3.3:

**Table 1 – Mining Tenement<sup>1</sup> Interest Activities for the Quarter Ending 30 September 2014**

Tenement Identifier	Location	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
<b>Kempfield</b>				
EL5645 (1992)	NSW	-	-	100%
EL5748 (1992)	NSW	-	-	100%
EL7134 (1992)	NSW	-	-	100%
EL7785 (1992)	NSW	-	-	100%
EL7968 (1992)	NSW	-	-	100%
EL8213 (1992)	NSW	-	-	100%
PLL517 (1924)	NSW	-	-	100%
PLL519 (1924)	NSW	-	-	100%
PLL727 (1924)	NSW	-	-	100%
PLL728 (1924)	NSW	-	-	100%
<b>West Wyalong</b>				
EL5915 (1992)	NSW	-	-	51% <sup>2</sup>
EL8001 (1992)	NSW	-	-	51% <sup>2</sup>
<b>Sunny Corner</b>				
EL5964 (1992)	NSW	-	-	70% <sup>3</sup>

### Notes

1. The definition of “Mining Tenement” in ASX Listing Rule 19.12 is “Any right to explore or extract minerals in a given place”.
2. Under the West Wyalong Joint Venture and Farmin Agreement dated 8 June 2007 between Golden Cross Operations Pty Ltd and Argent Minerals Limited (JVA), Argent Minerals has the right to earn 51%, then 70%. The tenement holder is Golden Cross Operations Pty Ltd. During the quarter the JVA counterparties agreed that 51% has been earned (announced 17 July 2014).
3. The tenement holder is Golden Cross Operations Pty Ltd.
4. For all Kempfield tenements the tenement holder is Argent (Kempfield) Pty Ltd, a wholly owned subsidiary of Argent Minerals Limited.

## COMPETENT PERSON STATEMENTS

### Previously Released Information

This ASX announcement contains information extracted from the following reports which are available for viewing on the Company's website <http://www.argentminerals.com.au> :

- 17 July 2014 Mag survey reveals large copper-gold target at West Wyalong;
- 25 July 2014 Geophysics Team Mobilises for Kempfield DHMMR Survey;
- 27 August 2014 Presentation to 8th Annual Mining Conference, Orange;
- 8 September 2014 MMR indicates new lead zinc lenses 4, 5 and 6 at Kempfield;
- 17 September 2014 Kempfield Drilling Program Awarded NSW Government Funding;
- 16 October 2014 Base and precious metal grade zonation in Kempfield Resource;
- 22 October 2014 Conductive Zones detected by MMR surveys at Kempfield; and
- 29 October 2014 Kempfield Deep Diamond Drilling Program.

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements, 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 announcements 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.

## DISCLAIMER

This ASX announcement (**Announcement**) has been prepared by Argent Minerals Limited (ABN: 89 124 780 276) (**Argent Minerals, Argent** or the **Company**). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Argent Minerals, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Argent Minerals.

By its very nature exploration for minerals is a high risk business and is not suitable for certain investors. Argent Minerals securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Argent Minerals and of a general nature which may affect the future operating and financial performance of Argent Minerals and the value of an investment in Argent Minerals including but not limited to economic conditions, stock market fluctuations, silver, lead, zinc, copper and gold price movements, regional infrastructure constraints, securing drilling rigs, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel and foreign currency fluctuations.

Certain statements contained in this Announcement, including information as to the future financial or operating performance of Argent Minerals and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral resources and mineral reserves and anticipated grades and recovery rates, production and prices,



recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Argent Minerals, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Argent Minerals disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. In particular, the corporate mission and strategy of the Company set forth in this Announcement represents aspirational long-term goals based on current expectations. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Argent Minerals Limited

ABN

89 124 780 276

Quarter ended ("current quarter")

30 September 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(250)	(250)
(b) development	-	-
(c) production	-	-
(d) administration	(114)	(114)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST	6	6
<b>Net Operating Cash Flows</b>	<b>(352)</b>	<b>(352)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(4)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(4)</b>	<b>(4)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(356)	(356)
1.13	Total operating and investing cash flows (brought forward)	(356)	(356)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(356)	(356)
1.20	Cash at beginning of quarter/year to date	893	893
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	537	537

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	141
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors fees and remuneration	96
Accounting, corporate, bookkeeping and secretarial services	39
Engineering Consulting	6

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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+ See chapter 19 for defined terms.



- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A
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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	260*
4.2 Development	-
4.3 Production	-
4.4 Administration	130
<b>Total</b>	<b>390</b>

\* Does not include Kempfield drilling costs associated with the announcement made on 29 October 2014

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	163	9
5.2 Deposits at call	374	884
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>537</b>	<b>893</b>

+ See chapter 19 for defined terms.

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Performance Rights</b>			
	Tranche 1 Performance Rights	1,500,000	-	-
	Tranche 2 Performance Rights	1,000,000	-	-
7.2	Changes during quarter			
	(a) Increases through issues			
	Tranche 1 Performance Rights	-	-	-
	Tranche 2 Performance Rights	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	<b>*Ordinary securities</b>	153,559,068	153,559,068	N/A
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	<b>*Convertible debt securities (description)</b>			

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> ( <i>description and conversion factor</i> )	53,002,823 6,574,000	53,002,823 -	<i>Exercise price</i> \$0.175 \$0.25	<i>Expiry date</i> 31 March 2016 29 August 2016
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> ( <i>totals only</i> )	-	-		
7.12	<b>Unsecured notes</b> ( <i>totals only</i> )	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway  
Company secretary

Date: 31 October 2014

Print name: Sarah Shipway

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are

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+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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