

MARCH 2018 QUARTER ACTIVITIES AND CASH FLOW REPORT

Highlights:

- Substantial boost to Kempfield potential economics through the achievement of separate, high quality commercial grade zinc and lead concentrates for multiple possible revenue streams from zinc, silver, lead and gold.
- Acquisitions in world-class Mount Read Volcanics belt Tasmania – with pre-JORC Code historical mineralisation estimates.
- Board changes and acquisitions advisor appointment - Argent positioned for next phase of growth with increased exposure to potential deal flow together with augmented board and corporate capabilities for assessing and managing acquisitions.
- >\$2 M cash position as the Company readies high priority drilling programme at Kempfield.

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report its activities and cash flow for the quarter ended 31 March 2018.

Zinc and lead concentrate separation - significant new milestone for Kempfield project

On 12 April 2018, Argent reported that a significant new milestone has been achieved for the Kempfield polymetallic project - the successful separation of primary material into potentially marketable commercial grade zinc and lead concentrates also containing silver and gold.

The extraction of zinc and lead into separate concentrates marks a significant advance towards project development, as the Company pursues the redefinition of Kempfield as an economically viable polymetallic project with possible multiple revenue streams at prevailing market prices.

Under the project redefinition validated by these results, zinc becomes the major contributor to potential revenue, followed by silver, lead and gold - substantially boosting the economics and de-risking the project.

In addition to potentially taking advantage of favourable market conditions for zinc producers, the polymetallic scenario retains significant upside leverage to any future silver price escalation that may occur.



High grade (54-59%) zinc concentrate produced by the 2nd cleaner stage of test AF8.



High grade (47-64%) lead concentrate produced by the 2nd cleaner stage of test AF8.



The following results were achieved by a flotation test followed by the regrinding of lead rougher concentrates and conducting a series cleaning tests to achieve the separate lead and zinc flotation circuits:

Table 1 – Metallurgical test results summary¹

	Grade	Recovery
Zinc	54–59%	87–92%
Silver	Up to 977 g/t ²	75–85% ²
Lead	47–64%	44–53% ³
Gold	Up to 16 g/t ²	66–90% ²

Notes:

1. The results are displayed in approximate decreasing order of each metal contribution to potential revenue, from the highest (zinc) in the top row of the table;
2. Silver and gold grades and recoveries depend on the final flowsheet design, and optimisation for prevailing commercial conditions; several potential concentrate product take-off points are provided by the tested process flowsheet.
3. Further potential process improvements have been identified for increasing lead recoveries, for incorporation into ongoing testwork.

Commercial grades achieved

The achieved zinc and lead grades are considered to be high grade in the context of the typical industry-accepted guideline of the order of 50% concentration, and comfortably within publicly reported historical smelter contract requirements.

The commercial impact of deleterious elements is estimated to be very low with penalties estimated to be zero for the lead concentrate and less than 1.3% of the total potential net smelter revenue (NSR) for the zinc concentrate.

Based on these metallurgical test results (and subject to further metallurgical testing), Argent's project modelling indicates that production concentrate silver grades could be up to four times the grades reported in Table 1; the available drill core suitable for making the metallurgical testwork composite sample had approximately a quarter of the average silver grade of the Kempfield deposit¹.

Capex and opex benefits of industry standard process design

The test results also showed that optimum commercial performance is achievable by a relatively simple process – implying reduced process plant capital expenditure.

Potential revenues now led by zinc, closely followed by silver, then lead and gold

Argent's modelling of the above simple process design scenario indicates potential revenue stream contributions to NSR¹ comprising zinc (45%), silver (36%), lead (11%), and gold (8%) – at market prices² at the time of the announcement and the Company's estimates for smelter contract terms and conditions based on available information.

For further details of the tests and the Argent process design refer to the 12 April 2018 announcement.

ACQUISITIONS IN WORLD-CLASS MOUNT READ VOLCANICS BELT TASMANIA

On 29 January 2018, Argent reported that it has acquired report strategic acquisitions in the highly productive Mount Read Volcanics belt of Western Tasmania.

The Ringville and Queensberry tenements were granted by the Tasmanian Government to Argent following merit-based assessment processes in which the Company's proposed exploration plans and capabilities were evaluated in separate competitive bidding environments.

Strategic location between Renison Bell Tin Mine and Rosebery Polymetallic Mine

Ringville tenement EL12/2017 is strategically situated between two world class mines – 300 metres west of Mine Lease 28M/1993 containing the Rosebery high grade polymetallic mine owned by MMG Ltd (1208:HK), and immediately to the east of (and partially overlain by) Mine Lease 12M/1995 containing the Renison Bell Tin Mine.

The Renison Bell Tin Mine is one of the world's largest and highest grade tin mines, and is considered to hold more than 85% of Australia's economic tin resources³.

Metals X Limited (ASX:MLX), which owns 50% of the project, via Bluestone Mines Tasmania Pty Ltd, has reported a prevailing tin sales price of approximately **A\$26,500/tonne**⁴.

Queensberry tenement EL9/2016 is located 11 kilometres northwest of the world class Mount Lyell copper mine. Considered to be Australia's oldest continually operating mining field⁵, Mount Lyell produced more than 1.8 million tonnes of copper, 2 million ounces of gold, and 41 million ounces of silver over approximately 120 years⁶.

The 82 square kilometre Queensberry tenement area is heavily populated with old mine workings and 10 recorded mineral occurrences. Four of these comprise the historic Queensberry Mine, which according to government records, achieved grades of up to 40-56% lead, and 6-7 ounces/tonne silver⁷.

Figure 1 illustrates the strategic positioning of the Ringville and Queensberry tenements amongst world class mines, and historical mineralisation estimates for the Pieman, Salmons, Godkin and Queensberry Mine deposits are summarised in Table 2:

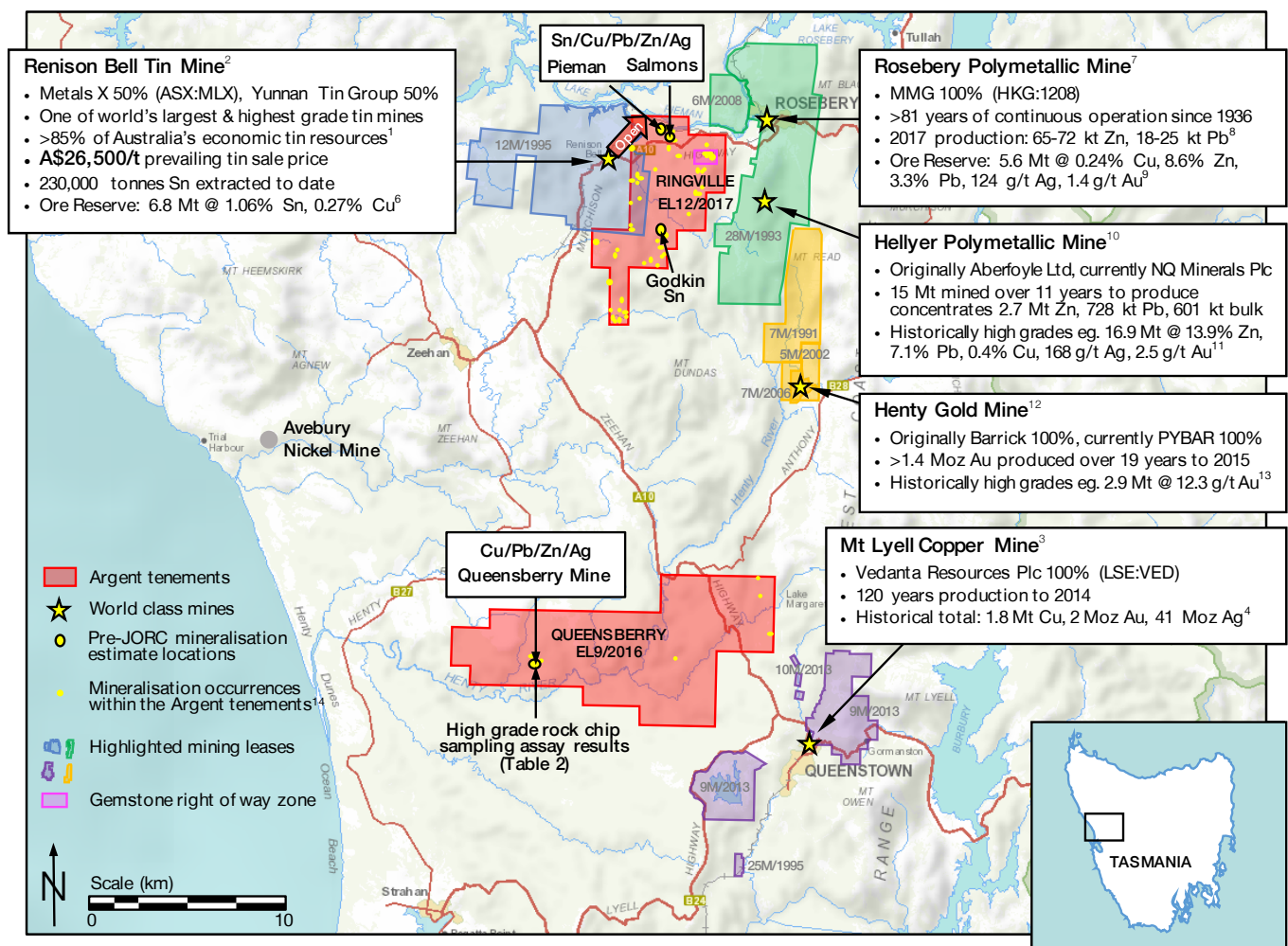


Figure 1 – Illustrating the strategic positions of Argent's Mt Read Volcanics tenements.

Table 2 – Pre-JORC Code historical mineralisation estimates.

Pre-JORC Code Historical Mineralisation Estimates										
Deposit Name	Category	Tonnes (t)	Sn (%)	Cu (%)	Grade				Estimation Method	Estimate Date
					Au (g/t)	Pb (%)	Zn (%)	Ag (g/t)		
Pieman	Probable	433,300	1.00	0.18	-	0.06	0.32	8	Polygonal	1985
	Possible	744,900	0.30	0.18	-	0.06	0.32	8	Polygonal	1985
	Total	1,178,200	0.60	0.18	-	0.06	0.32	8	Polygonal	1985
Salmons	Probable	830,200	0.19	0.62	-	3.17	2.24	104	Polygonal	1985
	Possible	1,016,000	0.10	0.10	-	1.25	1.37	58	Polygonal	1985
	Total	1,846,200	0.14	0.33	-	2.12	1.76	79	Polygonal	1985
Godkin	Probable	299,400	0.91	-	-	-	-	-	Polygonal	1983
Queensberry Mine	Probable	28,300	-	0.3	-	11.5	8.8	52	Polygonal	1983

The estimates are historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC Code, and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

For further details in relation to the Pre-JORC Code historical mineralisation estimates refer to the original announcement dated 29 January 2018.

51% INTEREST EARNED IN LOCH LILLY PROJECT

Argent earned a 51% interest in the Loch Lilly project, following the completion of documentation in relation to the NSW Government Cooperative Drilling grant.

Argent has the right to earn up to a 90% interest in the project in two further stages – 70%, then 90%.

BOARD CHANGES AND ACQUISITIONS ADVISOR APPOINTMENT – NEW GROWTH PHASE

On 23 April 2018, Argent announced the following changes to the Board as the Company positions itself for the next phase of growth.

In order to facilitate the new growth phase, Klaus Eckhof has relinquished his position as Non-Executive Director and Chairman to transition into the new role of Technical Advisor, Acquisitions. The new role will allow Klaus, as a highly credentialed and well-connected mining executive, to focus his contribution to Argent on assisting the Company to identify and assess potential acquisition opportunities.

Peter Wall LLB BComm MAppFin FFin has been appointed as Non-Executive Director and Chairman of Argent.

Peter is an experienced corporate lawyer and has been a Partner at Steinepreis Paganin (Perth-based corporate law firm) since July 2005. Peter has a wide range of experience in all forms of commercial and corporate law, with a particular focus on resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions. Peter is an experienced company director and serves as the Chairman or Non-Executive Director of a number of ASX listed entities.

The Company considers that the addition of Peter to the board and retaining Klaus's expertise adds to the Company's ability to identify, assess and negotiate potential acquisitions and manage the next phase of development of the Company's Kempfield project.

CASH POSITION \$2,086,000 AND KEMPFIELD DRILLING PROGRAMME

Argent's cash position as at 31 March 2018 was \$2,086,000.

Following its review of the Company's projects, the Argent board has determined that drilling is to proceed at Kempfield as the top priority.

Planning is underway for an initial drilling programme, the design of which is guided by the new geological model and the Company's internal project economics model that has been updated based on today's metallurgical results.

The drill plan and strategy will be announced separately to the ASX on completion of the design work.

Appendix 5B is attached to this announcement.

For further information please contact:

David Busch

Chief Executive Officer

Argent Minerals Limited

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¹ For further details see JORC Table 1 *Section 4 Metallurgical factors or assumptions* under the heading '*Nature, amount, and representativeness of testwork*' on page 11 of the 12 April 2018 announcement.

² Zinc US\$1.47/lb (US\$3,245/tonne), lead US\$1.08/lb (US\$2,370/tonne), silver US\$16.24/oz, gold US\$1,332.80/oz and A\$/US\$ 0.7700.

³ Source: Australian Government Geoscience Australia, http://www.australianminesatlas.gov.au/education/fact_sheets/tin.html.

⁴ Source: ASX, Metals X Limited AGM Presentation 22 November 2017.

⁵ Source: Vedanta Plc, Copper Mines of Tasmania Pty Ltd website cmt.com.au, About Us/Overview.

⁶ Source: Vedanta Plc, CMT Submission to DFAT re Australia - India FTA - 2011-07-18.

⁷ Source: Tasmanian Government, Director of Mines Preliminary Report on Queensberry Western District, 30 June 1927.

⁸ 0.8% Sn cutoff grade.

⁹ Source: MMG Ltd website, 2016 Rosebery Fact Sheet.

¹⁰ Source: MMG Ltd website, 2016 Annual Results Presentation 8 March 2017, 2017 production guidance.

¹¹ Source: MMG Ltd website, 2016 Annual Report, Mineral Resources and Ore Reserves Statement (A\$166/t NSR cutoff grade).

¹² Source: <http://mininglink.com.au/site/hellyer>

¹³ Source: Gemmell, JB and Fulton, R (2001) *Geology, Genesis, and Exploration Implications of the Footwall and Hanging-Wall Alteration Associated with the Hellyer Volcanic-Hosted Massive Sulfide Deposit, Tasmania, Australia*. *Economic Geology*, 96 (5). pp. 1003-1035. ISSN 0361-0128. Mineral Resource estimate quoted (cutoff grade not stated).

¹⁴ Source: Tasmanian Government, *The mining and mineral processing industry in Tasmania, A guide for investors* August 2016.

¹⁵ Source: Corbett, K.D., Quilty, P.G., & Calver, C.R., editors, 2014. *Geological Evolution of Tasmania*. Geological Society of Australia Special Publication 24, Geological Society of Australia (Tasmania Division): Mineral Resource as at 30/6/2009 (cutoff grade not stated).

¹⁶ Source: Tasmanian Government, Mineral Resources Tasmania (MRT) database.

¹⁷ Source: Goldman Sachs Research, 2018 Global economic outlook *As Good As It Gets*, 15 November 2017.

APPENDIX A

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

Table 1 – Mining Tenement¹ Interest Activities for the Quarter Ended 31 March 2018

Tenement Identifier	Location	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
Kempfield				
EL5645 (1992)	NSW	-	-	100% ²
EL5748 (1992)	NSW	-	-	100% ²
EL7134 (1992)	NSW	-	-	100% ²
EL7785 (1992)	NSW	-	-	100% ²
EL7968 (1992)	NSW	-	-	100% ²
EL8213 (1992)	NSW	-	-	100% ²
PLL517 (1924)	NSW	-	-	100% ²
PLL519 (1924)	NSW	-	-	100% ²
PLL727 (1924)	NSW	-	-	100% ²
PLL728 (1924)	NSW	-	-	100% ²
West Wyalong				
EL8430 (1992)	NSW	0.41%	-	77.98% ³
Loch Lilly				
EL8199	NSW	51%	-	51% ⁴
EL8200	NSW	51%	-	51% ⁴
EL8515	NSW	51%	-	51% ⁴
EL8516	NSW	51%	-	51% ⁴
Queensberry				
EL9/2016	TAS	-	-	100%
Sunny Corner				
EL5964 (1992)	NSW	-	-	70% ⁵

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. For all Kempfield tenements the tenement holder is Argent (Kempfield) Pty Ltd, a wholly owned subsidiary of Argent.
3. Under the West Wyalong Joint Venture and Farmin Agreement dated 8 June 2007 between Golden Cross Operations Pty Ltd and Argent as tenement holder (WWJVA), Argent has earned a 70% interest. The ongoing interests of the parties includes WWJVA expenditure contribution and dilution provisions commencing on a 70/30 basis.
4. The tenement holder for EL8199 and EL8200 is San Antonio Exploration Pty Ltd (SAE), and for EL8515 and EL8516 it is Loch Lilly Pty Ltd (LLP), a 100% owned subsidiary of Argent Minerals Limited. Under the Loch Lilly Farmin and Joint Venture Agreement (JVA) dated 12 February 2017 (effective date 17 February 2017), the respective ownership of all the tenements by the JVA Parties (SAE and LLP) is according to their respective JVA Interests. LLP has the right to earn up to a 90% interest, with the first 51% interest to be earned by completing the drill test for the Eaglehawk and Netley targets. For further details on Farmin terms and conditions see ASX announcement 20 February 2017 – Argent secures strategic stake in Mt. Read equivalent belt.
5. The tenement holder is Golden Cross Operations Pty Ltd.

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>:

- 29 January 2018 Acquisitions in World Class Mt Read Volcanics belt Tasmania¹
- 12 April 2018 Separate Commercial Grade Concentrates – Kempfield Milestone²
- 23 April 2018 Board Changes and Acquisitions Advisor Appointment

Competent Person:

1. Clifton Todd McGilvray
2. Roland Nice

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 or historical mineralisation estimates, 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.

The Company also confirms that it is not in possession of any new information or data relating to the historical mineralisation estimates that materially impacts on the reliability of the estimates or the Company's ability to verify the historical mineralisation estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code 2012).

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, 01/05/13, 01/09/16

Name of entity

ARGENT MINERALS LIMITED

ABN

89 124 780 276

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(261)	(1,234)
(b) development	-	-
(c) production	-	-
(d) staff costs	(33)	(75)
(e) administration and corporate costs	(120)	(592)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refund	-	693
1.8 Other – NSW co-operative drilling grant	-	142
1.9 Net cash from / (used in) operating activities	(406)	(1,048)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10)	(24)
(b) tenements (see item 10)	-	(7)
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Security deposits	-	19
2.6	Net cash from / (used in) investing activities	(10)	(12)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,200
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(84)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,116

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,502	2,030
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(406)	(1,048)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,116
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,086	2,086

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	170	216
5.2 Call deposits	1,916	2,286
5.3 Bank overdrafts	-	-
5.4 Other – Advance monies received from Placement.	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,086	2,502

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
43
-

N/A

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	600
9.2	Development	-
9.3	Production	-
9.4	Staff costs	24
9.5	Administration and corporate costs	230
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	854

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>West Wyalong</u> WW8430	Exploration	77.57%	77.98%
		<u>Ringville</u> EL12/2017	Exploration	-	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: 30 April 2018.

Print name: Vinod Manikandan

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.