

30 January 2015

## DECEMBER 2014 QUARTERLY ACTIVITIES AND CASH FLOW REPORT

### HIGHLIGHTS:

- Argent commences the Kempfield deep diamond drilling program
- Four hole deep diamond drilling program designed to test interpreted VMS lenses in the Western Prospective Area - targeting high grade zinc, lead, copper and gold
- Interpreted mineralisation model updated with Kempfield surface Magnetometric Resistivity (MMR) survey results
- Base and precious metal zonation quantitative data announced for Kempfield Mineral Resource - adding further evidence in support of the interpreted mineralisation model
- A total of \$821,000 funding received from the most recent R&D claim and a December capital raising from sophisticated investors in support of the drill program
- Cash of approximately \$816,000 as at 31 December 2014

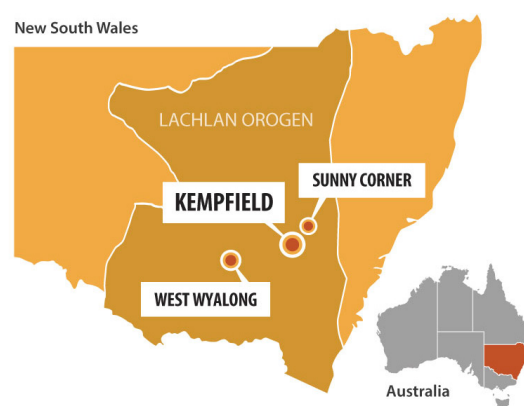
### POTENTIAL 'COMPANY MAKER' DRILL PROGRAM DEVELOPED, FUNDED, AND COMMENCED AT KEMPFIELD POLYMETALLIC PROJECT

Argent Minerals Limited (ASX: ARD, Argent, Argent Minerals or the Company) has completed the second quarter of FY2014/15 with significant achievements in the progression of the Kempfield Polymetallic Project toward the Company's goal of an exciting base and precious metal discovery in a highly prospective untested area of the Lachlan Orogen geological terrane, where Argent has identified the potential for additional volcanogenic massive sulphide (VMS) lenses and a high temperature feeder zone and associated high grade base and precious metals.

Managing Director David Busch said, "Argent Minerals is pleased to report a strong quarter, with the comprehensive interpreted mineralisation model updated from the results of the surface magnetometric resistivity surveys, a deep diamond drilling program developed to test the identified base and precious metals potential, a total of \$821,000 of funds raised from the most recent R&D claim and a sophisticated investor capital raising, and the commencement of the Kempfield deep diamond drilling program.

"Financially supported by a merit-based award from the NSW Government, the Kempfield deep diamond drilling program currently underway is the deepest to be conducted at Kempfield in over four decades of exploration, and is designed to test the comprehensive mineralisation model that has been developed by Argent. 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 discovery, Argent's advanced exploration techniques have provided fresh insight into potential mineralisation structures that were not detected previously by traditional survey methods.

"With drilling currently underway on the first hole of the 1,900 metre program, January 2015 marks the start of an exciting year for Argent Minerals as the Company tests for high grade base and precious metal mineralisation from the basin margin adjacent the historic Colossal Reef copper mine, and eastward through to underneath the existing deposit".



### **About the drilling program**

During the quarter Argent designed and announced the Kempfield deep diamond drilling program. Four holes will be drilled for a total length of 1,900 metres. The first two holes will be drilled toward the Southeast from locations adjacent the historic Colossal Reef copper mine. The first hole will be drilled to a length of up to 500 metres, and the second, the deepest hole in the program, will be drilled to a length of up to 650 metres. Together these first two holes will test the interpreted VMS feeder zone and Lenses 4 and 5.

The third hole in the program will be drilled for a length of up to 350 metres to test the interpreted VMS Lenses 4, and the Northeast extension of Lens 3. A fourth hole will also be drilled for a length of up to 400 metres underneath the known mineral resource, to test for extensions of Lenses 2 and 3 at depth. Holes 3 and 4 will require additional funding to be raised.

Given a reduction in contractor drilling rates negotiated for this project, the NSW Government funding contribution, and the extent of R&D claims that Argent intends to pursue in relation to Federal Government approved research aspects of the project, the Company is anticipating the achievement of highly competitive net outlay dollars per metre for this program, ultimately resulting in a greater quantity and depth of metres drilled per investment dollar. The majority of the drilling samples will be diamond core, which provides the greatest insight possible into mineralisation structures and geology.

The Company will provide further updates as results become available.

### **About the interpreted mineralisation model update and surface MMR results**

During the December quarter Argent announced the results of the surface MMR surveys conducted at Kempfield during the previous quarter (also referred to as SAM - sub audio magnetics). Five targets were delineated and assigned priorities for follow up.

The highest priority target, priority #1, is a compelling feature that stands out clearly, extending from west of the West McCarron Zone toward and potentially beyond, the historic Colossal Reef copper mine. Additionally, this target is of particular interest because of its coincidence with an IP chargeability high anomaly, fault structures, and there are no known potential cultural influences.

Target priority #2 is also of particular interest, due to its coincidence with an IP chargeability high anomaly, and its potential correlation with either the interpreted NW extension of Lens 3, or a SW extension of interpreted Lens 4.

Target priorities #3 and #4 are of interest due to their strength, and potential correlation with interpreted lenses. However, further work has been recommended to improve discrimination from cultural objects.

Target priority # 5 is also coincident with an IP chargeability high anomaly. Further follow up work is required.

The SAM survey analysis also revealed a distinctly resistive response associated with the silver/barite mineralisation in Lens 1, where the current is diverted around the predominantly silver/barite portion of the mineralisation. The ability of the SAM survey to discriminate against the typically resistive silver/barite mineralisation provided further support for the interpreted model, which predicts decreasing silver/barite grades toward the Western Prospective Area, in favour of increasing Pb/Zn/Au and potentially Cu, mineralisation associated with higher deposition temperatures, and a potential feeder zone.

Figures 1 and 2 set out the design of the drill hole plan designed to test the updated interpreted feeder zone and mineralisation lens model, where Figure 1 is a plan view against the MMR anomalies, and Figure 2 is a cross section.

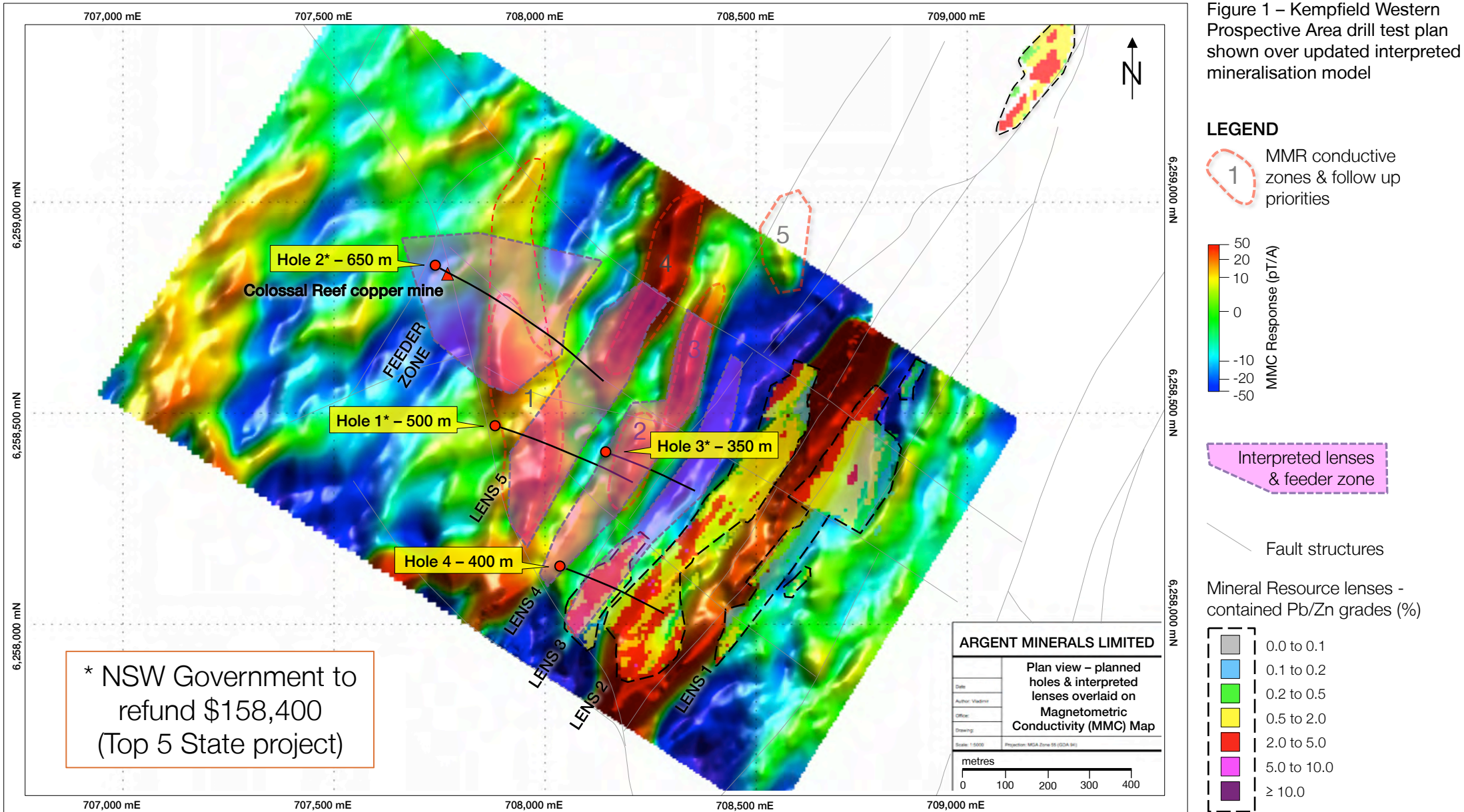
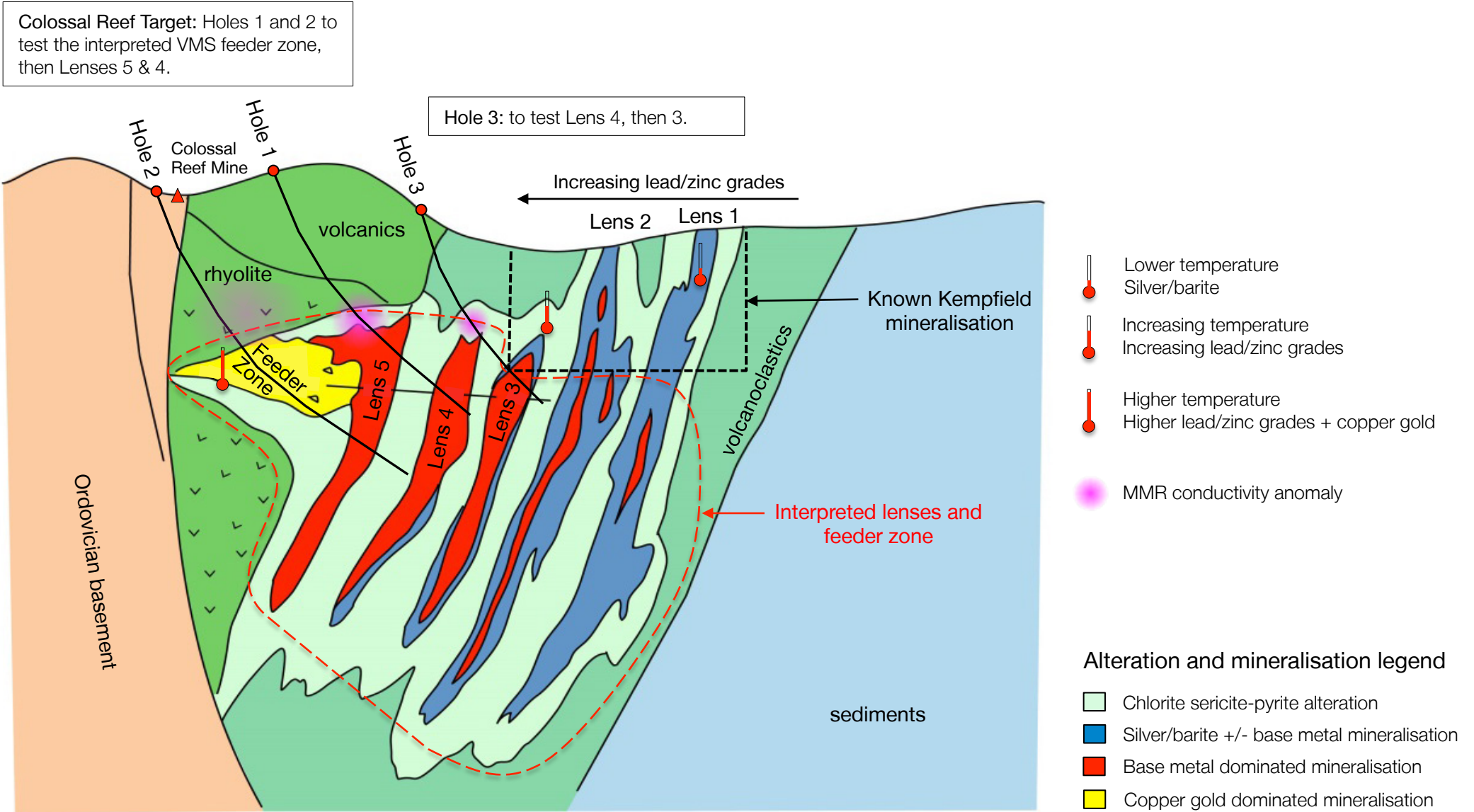


Figure 2 – Cross section of design for Holes 1, 2 & 3 for testing interpreted lenses and feeder zone – conceptual model



## Base and precious metal zonation data announced for Kempfield Mineral Resource

On 16 October 2014 Argent Minerals provided a new level of detail in relation to the Mineral Resource estimate performed by H&S Consultants Pty Ltd (**H&SC**); silver, lead, zinc and gold grades were provided for each volcanogenic massive sulphide (**VMS**) mineralisation zone and lens group for the primary material of the Kempfield deposit.

The estimate reveals clear metal zonation patterns that provide further tangible evidence pointing to the potential for a high temperature feeder zone in the largely untested area immediately to the west of the existing deposit, and the associated potential for rich base and precious metal grades.

Combined lead and zinc base metal grades increase progressively from 0.92% in the East (Lens 1 - BJ Zone, Measured category) to 3.1% in the West (Lens 3 - West McCarron Zone Inferred category). Gold grades increase from 0.03 g/t in the East to 0.46 g/t in the West for the same zones. A similar pattern is observed within the West McCarron Zone, where gold grades increase with depth.

Immediately further to the west of the Mineral Resource, on the western edge of the Lens 3 West McCarron zone, is the high grade mineralisation intersected by hole AKDD159: 18 m @ 9.8% Pb/Zn, 113 g/t Ag & 0.26 g/t Au from 85 m including 5 m @ 17.9% Pb/Zn, 259 g/t Ag & 0.34 g/t Au from 88 m (see 10 March 2014 announcement). These intercepts are not yet included in the Mineral Resource estimate.

The metal grade zonation trends in the Kempfield deposit, now quantified by this new level of detail, provide further clear and tangible evidence of base and precious metal depositional processes consistent with the Eastern Australian Palaeozoic VMS deposit model established by Professor Ross Large (see p. 9, Annual General Meeting Presentation 28 November 2014).

The new evidence, in the context of Professor Large's research, points to the potential for rich base and precious metal grades in the large, immediately to the west of, and adjacent to, the Kempfield deposit (**Western Prospective Area**), which is currently being drill-tested. This area, hosts the historic Colossal Reef copper mine and strong Cu anomalies in soil geochemistry. Professor Large has also noted similarities in the alteration of the host rocks at the Kempfield deposit to the footwall of the Que River deposit in Tasmania, one of the richest Eastern Australian Palaeozoic VMS deposits.

A formal Mineral Resource estimate statement was prepared and released in accordance with JORC 2012 and the requirements of ASX listing rule 5.8.

The Mineral Resource estimate incorporates the new metal zonation information. The Mineral Resource estimate information announced on 6 May 2014, and restated as at 30 June 2014 in the Argent Minerals 2014 Annual Report, remains unchanged.

## WEST WYALONG

During the quarter work commenced on obtaining access agreements from landholders in the West Wyalong project area in preparation for the high resolution induced polarisation (**IP**) survey to be performed by Argent Minerals.

## CORPORATE FUNDING

A total of \$821,000 was raised by Argent during the quarter through the latest research & development (**R&D**) claim, and a placement to sophisticated investors.

### About the research & development claim

Argent has developed a track record in efficient balance sheet management. 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. The most recent R&D claim was submitted on 28 October 2014, and payment was received in record time for Argent on 6 November 2014.

### **About the placement**

On 12 December 2014 Argent Minerals announced the completion of a placement to sophisticated investors with the issue of 24,004,630 fully paid ordinary shares to raise a total of \$648,125 (**Placement**). Subject to shareholder approval being obtained at the Extraordinary General Meeting to be held on 5 February 2015, free attaching listed options are to be issued as part of the Placement, exercisable at \$0.175 on or before 31 March 2016.

For further details of the Placement please refer to the 12 December 2014 announcement and the 22 December 2014 Notice of Meeting.

### **CASH POSITION**

The available cash position for Argent Minerals as at 31 December 2014 was approximately \$816,000.

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

For further information please contact:

David Busch

Managing Director

**Argent Minerals Limited**

M: 0415 613 800

E: [david.busch@argentminerals.com.au](mailto:david.busch@argentminerals.com.au)

## 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 31 December 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.
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> :

- 10 March 2014 Assays Confirm Third VMS Lens Group at Kempfield – Revised
- 16 October 2014 Base and precious metal grade zonation in Kempfield Resource;
- 22 October 2014 Conductive Zones detected by MMR surveys at Kempfield;
- 29 October 2014 Kempfield Deep Diamond Drilling Program;
- 28 November 2014 Annual General Meeting Presentation;
- 15 December 2014 Argent commences Kempfield deep diamond drilling; and
- 14 January 2015 Argent commences 2015 with accelerated drilling at Kempfield.

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")

31 December 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(319)	(569)
(b) development	-	-
(c) production	-	-
(d) administration	(190)	(304)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	173	173
1.7 Other - GST	4	10
<b>Net Operating Cash Flows</b>	<b>(330)</b>	<b>(682)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(17)	21
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)	20	20
<b>Net investing cash flows</b>	<b>3</b>	<b>(1)</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)	(327)	(683)
1.13	Total operating and investing cash flows (brought forward)	(327)	(683)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	648	648
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 – capital raising costs	(42)	(42)
	<b>Net financing cash flows</b>	606	606
	<b>Net increase (decrease) in cash held</b>	279	(77)
1.20	Cash at beginning of quarter/year to date	537	893
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	816	816

### 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	116
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	19
Engineering Consulting	1

### 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
-----

+ 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

### 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	400
4.2 Development	-
4.3 Production	-
4.4 Administration	115
<b>Total</b>	<b>515</b>

### 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	8	163
5.2 Deposits at call	808	374
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>816</b>	<b>537</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>	177,563,698	177,563,698	N/A
7.4	Changes during quarter			
	(a) Increases through issues	24,004,630	24,004,630	0.027
	(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 give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway  
Company Secretary

Date: 30 January 2015

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 conditions precedent which will change its percentage interest in a mining tenement

---

+ See chapter 19 for defined terms.

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

---

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.

== == == == ==