

SEPTEMBER 2017 QUARTER ACTIVITIES AND CASH FLOW REPORT

Argent at a glance

ASX-listed Company focused on the expansion and development of its significant existing base and precious metal projects in NSW and to leverage its expertise to pursue value accretive acquisitions of other significant projects identified by the Company.

Facts

■ ASX Codes:	ARD, ARDO ¹
■ Share price (30 October 2017):	\$0.030
■ Option price (30 October 2017):	\$0.006
■ Shares on issue:	421.4 M
■ Market capitalisation:	\$12.2 M

¹ \$0.10 exercise price, 27 June 2019 expiry.

Directors and Officers

Stephen Gemell
Non-Executive Chairman

David Busch
Chief Executive Officer

Peter Nightingale
Non-Executive Director

Peter Michael
Non-Executive Director

Vinod Manikandan
Company Secretary

Contact details

PRINCIPAL AND REGISTERED OFFICE

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Sydney NSW 2000

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Highlights:

- Kempfield mineral resource – substantial update of 3D geology and mineralisation model underway for infill drilling programme guidance, with extensions of up to two times current deposit dimensions identified by 2016/17 diamond drilling.
- Kempfield metallurgical studies commenced, to evaluate potential zinc, lead and silver recovery potential in a standard flotation processing environment.
- West Wyalong drill results confirm the intersection of multiple intrusives over a 2.5 kilometre strike length and 1.5 kilometre width, with elevated gold, copper and molybdenum as signature features of mineralised porphyry systems.
- Argent increases interest in West Wyalong joint venture to 77.15%.
- Loch Lilly drilling programme completed – 75% co-funded by the NSW Government – featuring a drill test of geological belt analogous to western Tasmania Mount Read Volcanics.
- Drill core samples submitted for assay, including more than 50% of the Netley drill core. Results pending.
- Cash approximately \$1.33 M ahead of the Loch Lilly 75% co-funding rebate.



Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report its activities and cash flow for the quarter ended 30 September 2017.

KEMPFIELD PROJECT ADVANCES

Mineral Resource update

In the exploration update released on 17 August 2017, Argent announced that it is currently completing a substantial update of the Kempfield deposit Micromine model, incorporating the refined lithostratigraphic and host horizon model developed through the 2016/17 extensional drilling programmes, as well as the detailed 36 element geochemical database provided by the assays.

A resource infill reverse circulation (RC) drilling programme, designed from the updated Micromine model, will focus on establishing the maximum possible continuity of mineralisation within the potential lateral and depth extensions indicated by the 2016/17 diamond drilling programmes.

The potential for extensions amounting to twice the existing deposit dimensions have been identified by the drilling programmes.

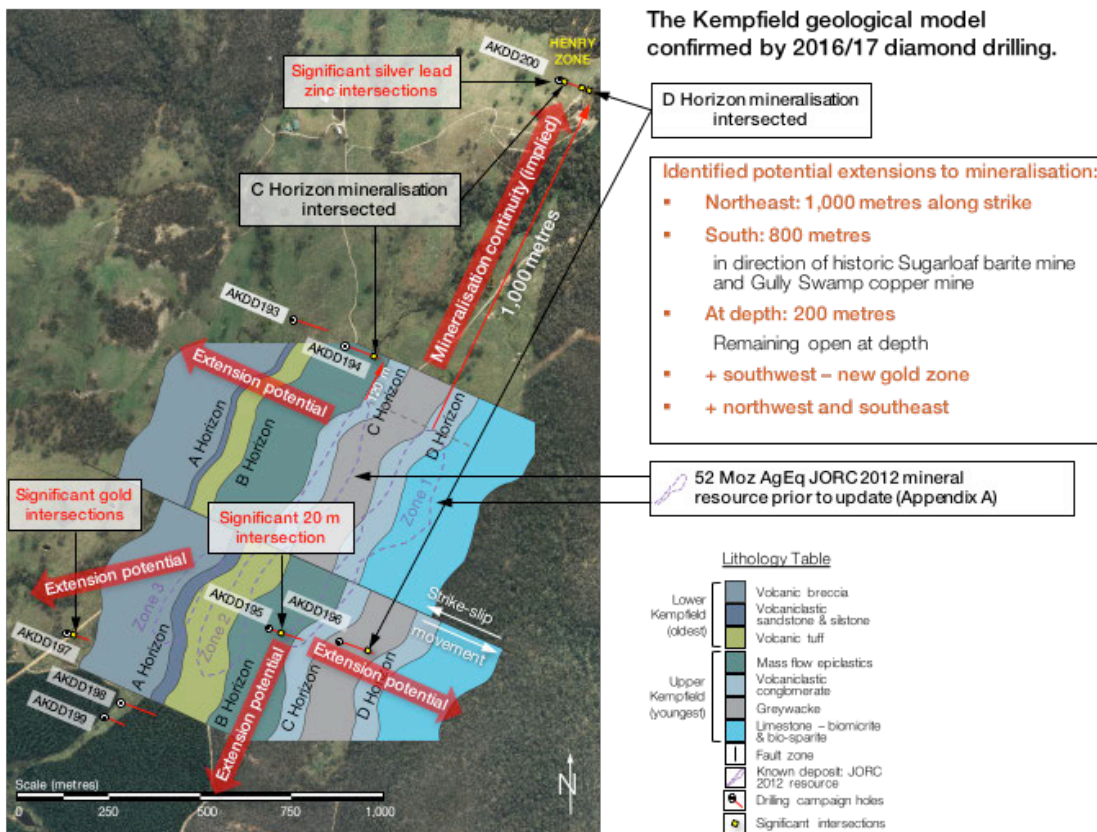


Figure 1 – Illustrating the identified potential deposit extensions at Kempfield (plan view).

Metallurgical testing programme

In the 17 August 2017 exploration update the Company announced that a metallurgical testing programme is currently underway, and that this may be extended to include further metallurgical samples if required.

The metallurgical testing programme has been designed to test potential silver, lead and zinc recoveries in a standard flotation processing environment, based on initial testing of existing diamond drill core. Together with the results of a metallurgical testing programme, the resource update will provide additional data for a concept-level reassessment of Kempfield economics.

WEST WYALONG MAIDEN DRILLING YIELDS EVIDENCE OF NEAR POSITION TO COPPER-GOLD PORPHYRY DEPOSIT

Three key announcements were made by the Company during the quarter for the Company’s maiden drilling programme at West Wyalong.

The diamond drill core visual observations and assay results indicated that multiple porphyritic intrusives have been intersected over a north-south strike length of 2.5 kilometres and an east-west extent of 1.5 kilometres, which are associated with elevated chalcopyrite, molybdenite and gold mineralisation, and extensive zones of sulphide mineralisation – together being signature features of porphyry copper-gold-molybdenum mineralised systems.

The completed set of assays for the six holes, together with the drill core visual observations, reveal evidence of a near position to a porphyry copper-gold-molybdenum deposit in a fertile system, with a prospective area of 4 square kilometres delineated.

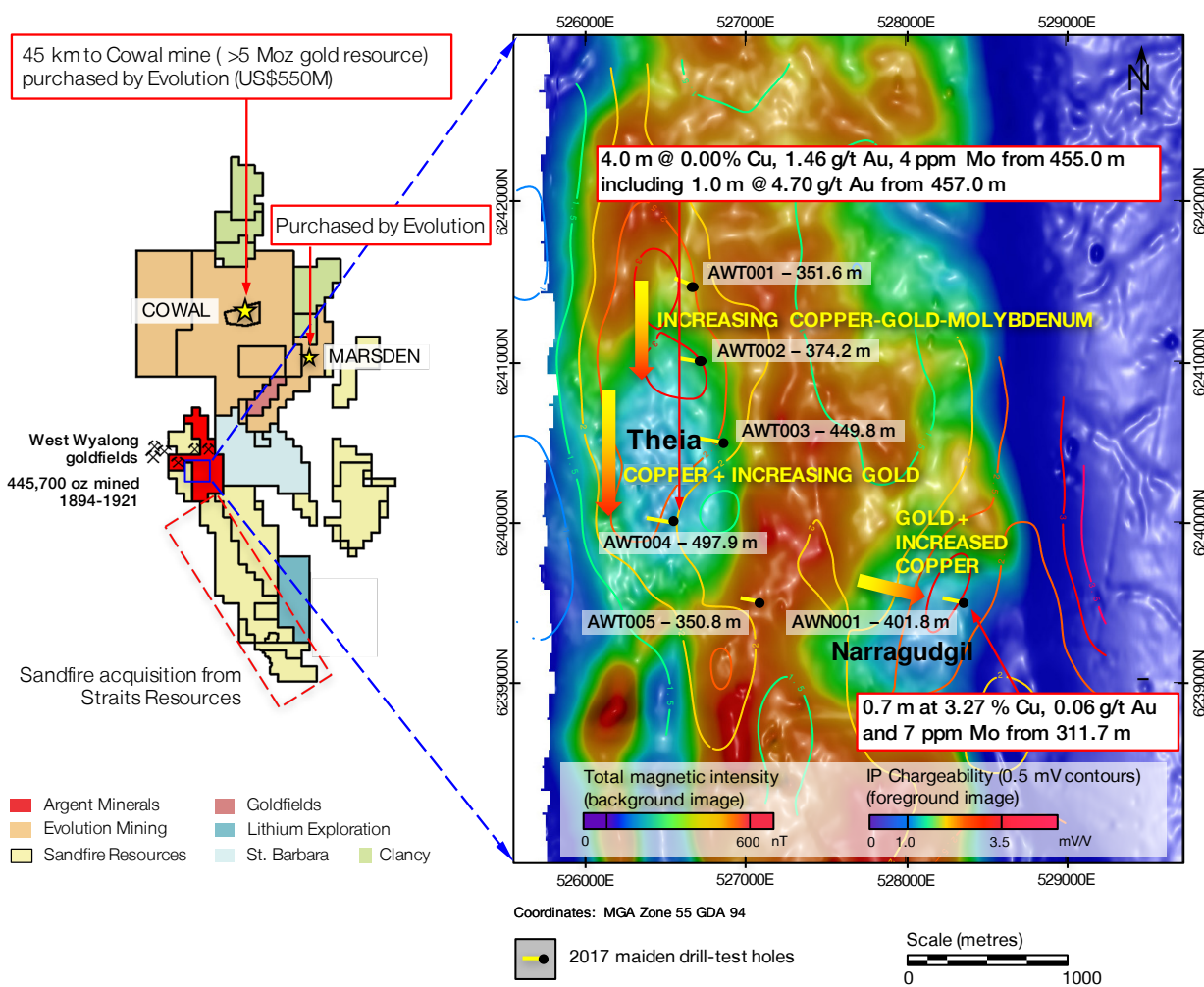


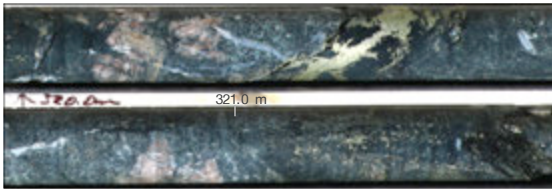
Figure 2 – Illustrating the strategic location of the project together with a plan view of the drilling programme holes and the geophysical targets they were designed to test.

Results highlights

The following selected drill core section photographs, intersections and visual observations illustrate highlights of the drilling programme results.



Hole AWT001



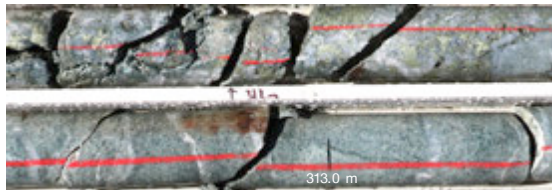
- 4.0 m @ 0.04% Cu, 0.01 g/t Au, and 174 ppm Mo from 143.5m;
- 4.0 m @ 0.23% Cu, 0.03 g/t Au and 31 ppm Mo from 223.6 m;
- 7.8 m @ 0.40% Cu, 0.01 g/t Au, and 9 ppm Mo from 313.5 m
- incl. 0.6 m @ 1.59% Cu from 319.7m.

Hole AWT002



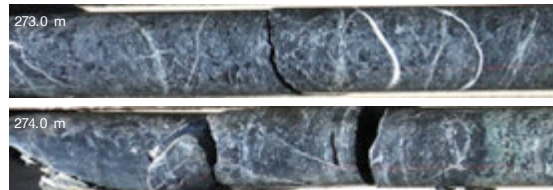
- 24.1 m @ 0.25% Cu, 0.11 g/t Au and 214 ppm Mo from 161.4m
- incl. 10.6 m @ 0.37% Cu, 0.14 g/t Au and 376 ppm Mo from 161.4m;
- 17.1 m @ 0.08% Cu, 0.02 g/t Au and 559 Mo from 197.3 m
- incl. 0.8 m @ 3,520 ppm (0.35%) Mo from 211.6m.

Hole AWN001



- 11.0 m @ 0.17% Cu, 0.15 g/t Au and 12 ppm Mo from 43.2 m
- incl. 7.0 m @ 0.17% Cu, 0.23 g/t Au and 14 ppm Mo from 47.2 m
- incl. 1.0 m @ 0.39% Cu, 0.45 g/t Au and 16 ppm Mo from 49.2m;
- 1.0 m @ 0.01% Cu, 0.62 g/t Au and 8 Mo from 211.6 m;
- 0.7 m @ 3.27% Cu, 0.06 g/t Au and 7 ppm from 311.7 m.

Hole AWN001 – Magnetite skarn



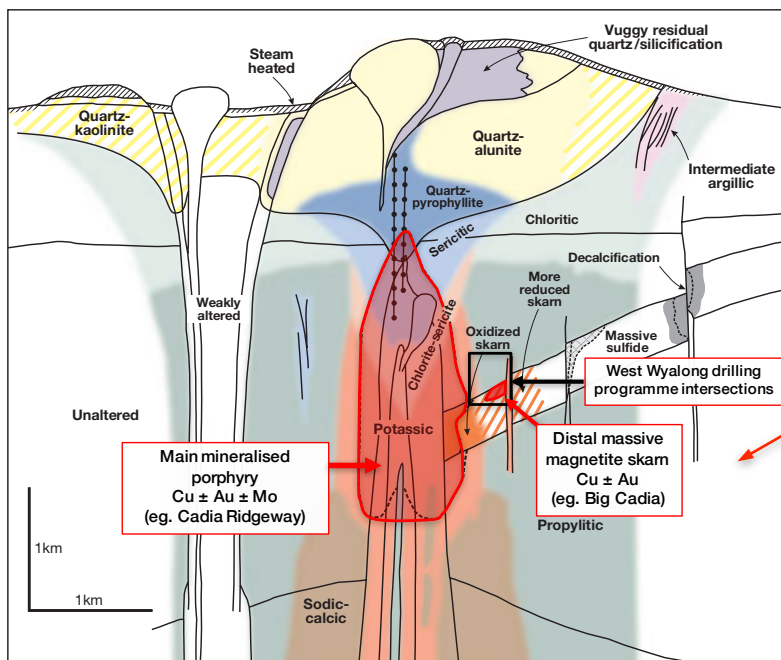
Visual observations

- Massive brecciated magnetite skarn with strong chlorite alteration, quartz-calcite veins and fracture fill (at 273.0 and 274.0 m, each 30 cm);
- Up to 37 m (hole AWT004) over 1.5 km north-south strike length and 1.5 km east-west width.

Figure 3 – Highlights of the West Wyalong drilling programme results.

Big Cadia and Ok Tedi analogy indicated

A strike length of 1.5 kilometres and east-west extent of 1.5 kilometres of magnetite skarn was visually observed within the deposit total 2.5 kilometre strike length, with assays confirming the presence of chromium (>0.1%) and nickel (>0.1%) - providing evidence of the West Wyalong porphyry system as being analogous to Ok Tedi in Papua New Guinea (PNG) and Big Cadia where magnetite skarns are located peripheral to the main deposit.



Skarn geochemistry and lithology at Big Cadia ultimately led to the Cadia Ridgeway deposit discovery.

Source: Sillitoe, R., H., 2010. Porphyry Copper Systems. Economic Geology v. 105, pp. 3-41, image on page 17).

Figure 4 – illustrating the interpreted location of West Wyalong intersections in relation to observed alteration and mineralogy in relation to a potential large scale deposit.



Argent stake in West Wyalong project increased to 77.15%

Argent's interest in the West Wyalong project has been increased to 77.15% following exploration expenditure subsequent to Argent attaining 70% (announced 27 April 2017), when the cash call/dilution phase of the joint venture commenced.

The expenditure included assays and analysis of the results of the recent drilling programme.

Selected West Wyalong drill core samples were submitted for petrographic analysis by Dr. Anthony Crawford, and for Laser Ablation Inductively Coupled Plasma Mass Spectrometry (LA-ICP-MS) analysis by the Centre of Excellence in Ore Deposits (CODES) at the University of Tasmania.

The purpose of these analyses is to both quantify and qualify detailed specifics on the intersected rock types and mineralisation vectors for the generation of a 3D model of the drilling results. The 3D model will aid drill planning and targeting for the next phase of the West Wyalong project.

LOCH LILLY CO-FUNDED DRILLING PROGRAMME – EARNING UP TO 90% INTEREST

About the Loch Lilly project

Research undertaken by Dr. Anthony Crawford and others has indicated that a geological belt, which extends from western Tasmania to western Victoria and eastern South Australia before swinging northeast and into western NSW, includes rocks equivalent to western Tasmania's Mt. Read Volcanics, with potentially major discovery implications for the Loch Lilly - Kars Belt in NSW.

Over a strike distance of just 80 kilometres, the Mt. Read Volcanics of western Tasmania hosts several world-class base and precious metal deposits, including Mt. Lyell, Rosebery and Hellyer, and numerous medium-sized deposits, including the Que River and Hercules volcanic-hosted massive sulphide (VHMS) copper-lead-zinc deposits, and the Henty gold deposit.

Two targets are being tested at Loch Lilly - Eaglehawk and Netley, which were identified by Anglo American's South American division in 2014 through a new magnetic - induced polarisation (IP) survey tool. Anglo American (Australia) Pty Ltd then partnered with Dr. Crawford in early 2015 to drill test the targets, but was subsequently instructed by its head office to terminate all base metal exploration projects in Australia as part of a global restructuring effort.

Argent now continues this exploration under the Loch Lilly joint venture agreement executed by the Company with Dr. Crawford.

By completing the two-hole 1,000 metre Loch Lilly drill programme comprising one 500 metre diamond hole for each target, Argent will earn a 51% interest in the project.

Under the Loch Lilly joint venture agreement executed between Dr. Crawford and Argent, the Company has the right to earn up to a 90% interest in the project, which has a combined exploration licence area of 1,447 km² that covers the majority of the Loch Lilly - Kars Belt.

About the NSW Government 75% co-funding.

75% of the direct drilling costs for the two holes up to \$150,000 are funded by the NSW Government through the Co-operative Drilling Programme Round 2. This highly sought after funding was awarded on the basis of project prospectivity and technical merit, as assessed by an independent expert panel in a competitive environment.

The NSW Government investment decision was underpinned by the significant potential of the Loch Lilly project, the success of which could open up the possibility of a new major mineralisation province of world class scale.

Drilling completed

The Netley and Eaglehawk holes were commenced and successfully completed during the quarter, following resolution of technical issues relating to drilling fluids. Drill core samples were submitted for both targets, including more than 50% of the Netley drill core. Assays and drilling results are pending.

CASH POSITION

The Company's cash position as at 30 September 2017 was approximately \$1.33 million.

Under the Funding Deeds executed by the NSW Government for the Loch Lilly project, NSW Cooperative Drilling will refund up to 75% of the direct per-metre drilling costs on the drilling contractor's invoices up to a maximum of \$150,000 within 30 business days of the Company producing the reports required by the Funding Deed.

Each of these projects has been awarded drilling co-funding by the New South Wales Government, following merit-based assessment by independent expert panels. Being focused on project technical merit, prospectivity, and the Company's track record in financial management in a highly competitive environment, the funding awards underline the quality of the Company's projects and its operations.

Appendix 5B is attached to this announcement.

For further information please contact:

David Busch

Chief Executive Officer

Argent Minerals Limited

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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 30 September 2017

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	-	-	77.15% ³
Loch Lilly				
EL8199	NSW	-	-	0% ⁴
EL8200	NSW	-	-	0% ⁴
EL8515	NSW	-	-	0% ⁴
EL8516	NSW	-	-	0% ⁴
Queensbury				
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>:

- 3 July 2017 West Wyalong Drilling Confirms Mineralised Porphyry System¹
- 12 July 2017 Argent Commences Loch Lilly Drilling Programme¹
- 17 July 2nd Set of Assays – Increased Gold in West Wyalong Porphyry¹
- 24 July 2017 Loch Lilly Drilling Underway
- 27 July Copper and Gold in West Wyalong Porphyry – Final Assays¹
- 17 August Exploration Update¹

Competent Person:

1. Clifton Todd McGilvray

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

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")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(430)	(430)
(b) development	-	-
(c) production	-	-
(d) staff costs	(24)	(24)
(e) administration and corporate costs	(236)	(236)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(685)	(685)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(10)	(10)
2.6	Net cash from / (used in) investing activities	(13)	(13)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,030	2,030
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(685)	(685)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13)	(13)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,332	1,332

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	149	126
5.2 Call deposits	1,183	1,904
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)	1,332	2,030

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
106
-

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
39
-

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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	360
9.2 Development	-
9.3 Production	-
9.4 Staff costs	24
9.5 Administration and corporate costs	160
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	544

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	West Wyalong WW8430	Exploration	70%	77.15%

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: 31 October 2017.

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.