



# ARGENT MINERALS **ANNUAL REPORT 2015**



# CORPORATE DIRECTORY

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## FRONT COVER

Deep diamond drill testing the  
Kempfield Polymetallic Project for  
Australia's next high grade base  
and precious metals discovery.

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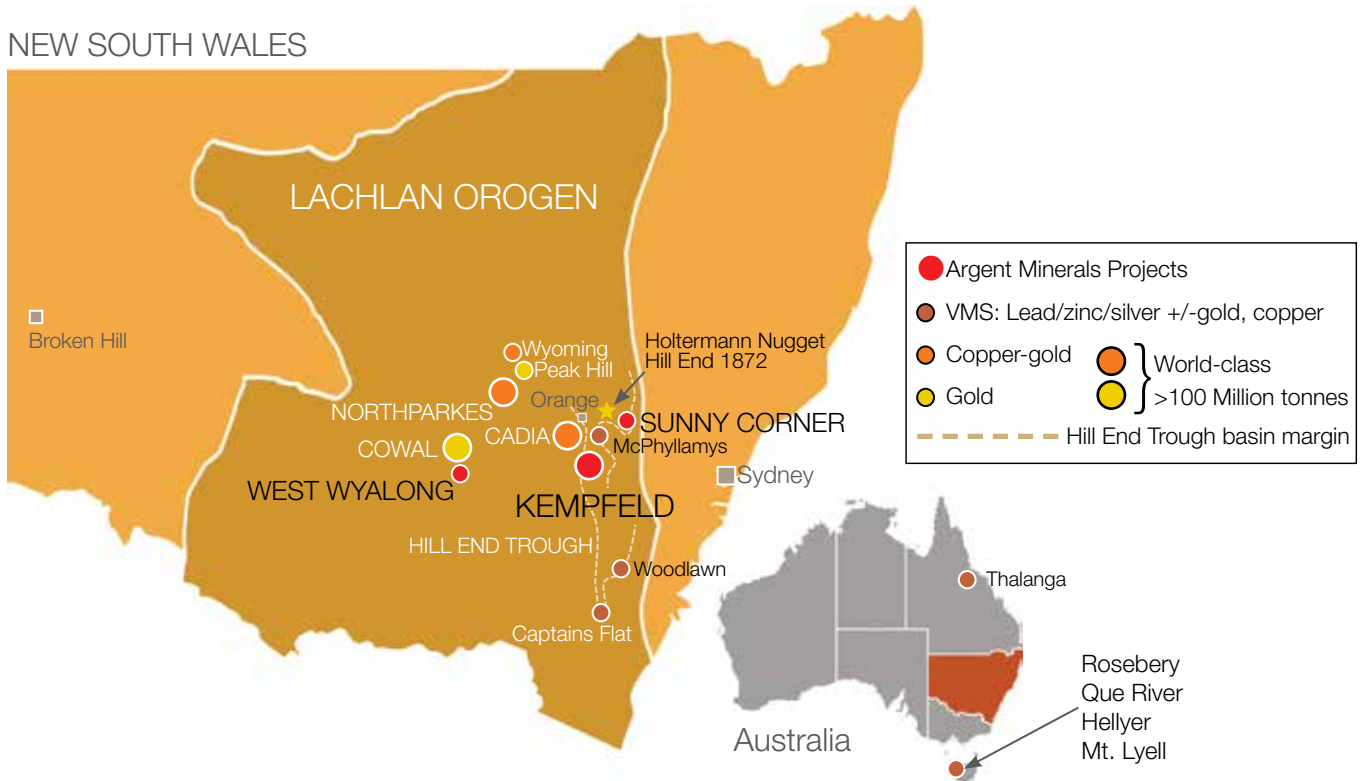
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# COMPANY PROFILE

Argent Minerals Limited (**Argent Minerals, Argent** or the **Company**) is an ASX-listed public company (ASX: **ARD**) focused on creating shareholder wealth through the discovery, extraction and marketing of precious and base metals. A key goal of the Company is to become a leading Australian polymetallic producer, producing 1.5 million tonnes per annum with a mine life of 20 years.

The Company's project assets are situated in the Lachlan Orogen in New South Wales, Australia, a richly mineralised geological terrane which extends from northern NSW and through Victoria into Tasmania. The first gold discovery in Australia was in 1851, at a location within the Lachlan Orogen. This important find led to the subsequent gold rushes, the discovery of the Holtermann Nugget in 1872, and the formation of nearby townships of Bathurst and Orange.

Today the Lachlan Orogen hosts world class deposits including one of the largest underground copper-gold mines in the southern hemisphere, Newcrest's Cadia Valley Operations.



Strategically positioned within this world class neighbourhood are Argent Minerals' three projects - the Kempfield Polymetallic Project, West Wyalong and Sunny Corner. The Company owns a controlling interest in all three projects.

## KEMPFIELD POLYMETALLIC PROJECT (100% ARGENT)

Located just 41 kilometres from Cadia is Kempfield, the Company's flagship project, a registered New South Wales State Significant Development that belongs to a compelling peer group of Volcanogenic Massive Sulphide (VMS) deposits located at the margins of geological basins such as the Hill End Trough. This peer group is known as the Eastern Australian Palaeozoic VMS Deposits, and includes well-known rich deposits such as Rosebery, Que River, Hellyer, Mt. Lyell, Sunny Corner, McPhyllamys, Woodlawn, Captains Flat and Thalanga.

The Kempfield Polymetallic Project is 100% owned by Argent Minerals and has a substantial Mineral Resource of 21.8 million tonnes and 52 million ounces of silver equivalent contained metal that was upgraded to JORC 2012 standard in May 2014. This upgrade reflects both the quality of the Mineral Resource itself and the high standard of the Argent Minerals work to date on the project, and provides Argent Minerals with a strong foundation to aggressively pursue the significant upside potential that the Company has identified at Kempfield. The Company's strategy for Kempfield is to focus on exploration for rich base metals grades together with silver and gold. Argent Minerals has identified rich combined lead/zinc grades of up to 17.9% immediately to the west of the existing Mineral Resource, as well as the potential for multiple additional VMS lenses and a feeder zone.

# COMPANY PROFILE

Whilst Argent Minerals has established an initial goal of discovering an additional 5 million tonnes at Kempfield with higher grade lead/zinc, silver, gold and potentially, copper, the capacity for a much larger system and associated world-class discovery has been identified. Successful exploration of this opportunity will be a game-changer with 'company maker' potential for Argent Minerals.

## WEST WYALONG (51% ARGENT)

The West Wyalong Project is a farm-in joint venture between Argent Minerals (Operator) and Golden Cross Resources Limited, in which Argent Minerals has earned a 51% interest. The West Wyalong Project is situated in the Macquarie Arc of the Lachlan Orogen, in a geological setting of Ordovician volcanics which hosts world class porphyry copper-gold mines such as Newcrest's Cadia, China Molybdenum's Northparkes, and 37 kilometres to the north of West Wyalong - the Lake Cowal mine currently under acquisition by Evolution Mining Limited.

Argent Minerals has identified a large anomaly by means of a high resolution airborne magnetic survey. The co-location of the magnetic anomaly with an induced polarisation (IP) chargeability high anomaly, and strong copper-gold geochemistry intersected above it by shallow air core drilling, together confirm a sizeable potential porphyry copper-gold target. The potential dimensions are significant, spanning 1.4 kilometres along strike to the north, and 800 metres from west to east.

This is a very exciting development for the West Wyalong Project, placing it on the map as a sizeable Australian porphyry copper-gold target, and the potential for a major discovery in this rich, fertile area which has produced some of Australia's best copper-gold deposits.

The right for Argent to earn 70% is now active, which will be achieved by Argent investing a further \$482,288 in exploration by 9 January 2016.

## SUNNY CORNER (70% ARGENT)

The Sunny Corner Project is a farm-in joint venture between Argent Minerals (Operator) and Golden Cross Resources Limited in which Argent Minerals has earned a 70% interest. Located approximately 175 kilometres from Sydney, the Sunny Corner Project covers an area of approximately 104 square kilometres. This area is characterised by three different mineralisation styles: VMS systems such as the historic Sunny Corner mine with rich silver, lead, zinc and copper; remobilised structurally-controlled shear-hosted base metals such as the Nevada Mine – copper; and quartz vein-hosted gold with a genetic link to quartz-feldspar porphyry intrusions.

The historic Sunny Corner mine was at one time the largest silver producer in NSW. After beginning as a gold mine in 1865, silver was discovered in 1877 with grades high enough for direct shipping to London. The Sunny Corner Silver Mining Co was formed in 1884 and became the first successful silver mining and smelting operation in Australia, producing more than 90 tonnes of silver.

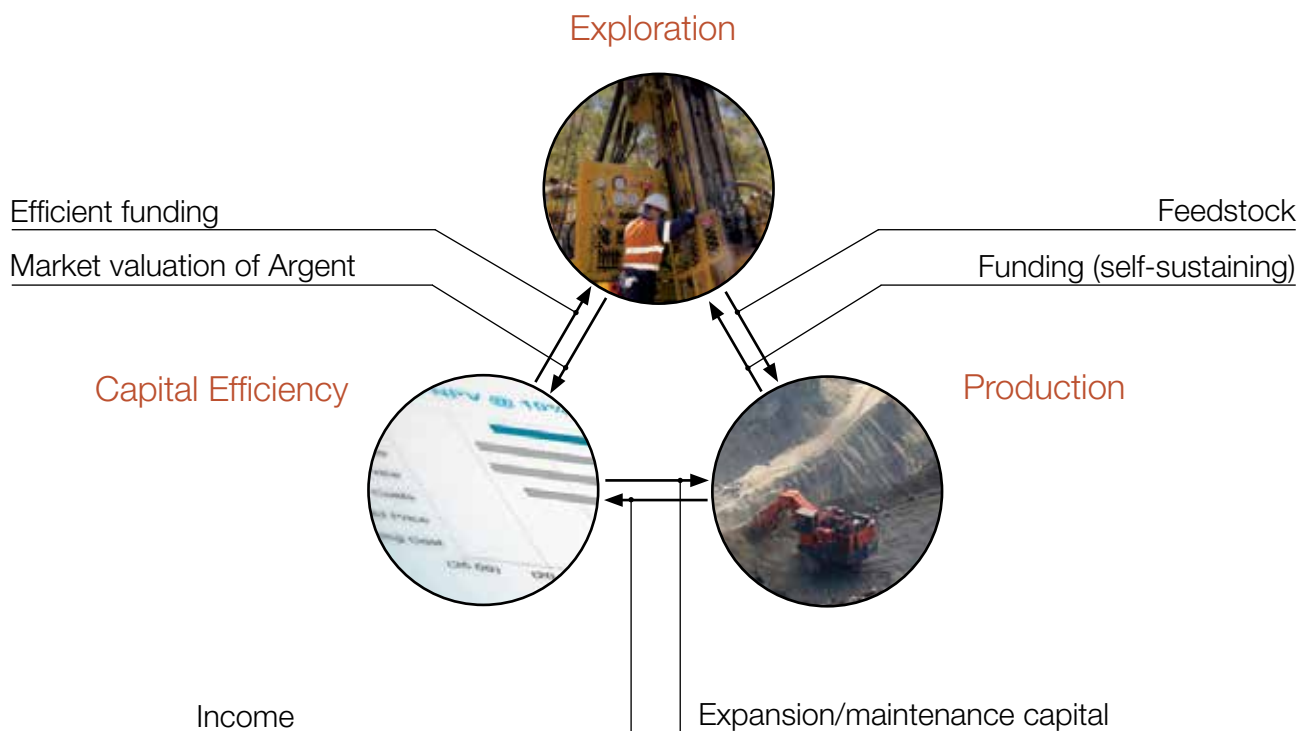
Argent announced an Inferred Mineral Resource for the Sunny Corner Project on 12 August 2008, and subsequently restated this in the Argent Minerals 2013, 2014 and 2015 Annual Reports under the JORC Code 2004. The Mineral Resource comprises 1.5 Mt @ 3.7% Zn, 2.1% Pb, 0.39% Cu, 24 g/t Ag and 0.17 g/t Au at a 2.5% combined base metals cut-off grade.

The exploration strategy for the project primarily focuses on the targeting of VMS silver, lead, zinc, copper and gold mineralisation, similar to what has been previously discovered within the historic mine area of Sunny Corner.

# COMPANY PROFILE

## CORPORATE STRATEGY

In 2014 Argent announced its goal/aspiration to become a leading polymetallic producer, mining 1.5 million tonnes per year with a mine life of the order of 20 years, with self-sustaining cash flow facilitating long term growth. The Company's strategy to achieve this goal comprises three key elements, with exploration featuring as the key immediate driver of growth.



- **Exploration.** Argent Minerals is aggressively pursuing the significant exploration upside potential that it has identified within the Kempfield Polymetallic Project area featuring high grade base and precious metals. Tonnes and grade are key factors in any project economics, and Argent's focus is to add both where opportunities exist to do so, particularly where this might add to the Company's base and precious metal resources. Grades of up to 17.9% combined lead/zinc have been identified immediately to the west of the existing Mineral Resource, where exploration vectors point to the potential for multiple additional VMS mineralisation lenses and a feeder zone. The timing of this development coincides strategically with market forecasts of a world wide shortage of zinc and significant zinc price volatility on the London Metals Exchange. Argent has also identified a substantial porphyry copper-gold target at its West Wyalong project, measuring approximately 1.4 kilometres by 800 metres, which the Company plans to aggressively pursue;
- **Income generation from mining production.** As Argent pursues the exploration for base and precious metals to realise this goal, the low-cost silver-gold heap leach operation for which an Environmental Impact Statement (EIS) was submitted to the NSW Government in April 2013 remains in place as a fast-response, market-ready option, to take advantage of any precious metal pricing recovery that may occur. In the event that precious metals pricing recovers to the levels prevailing prior to the EIS submission, Argent is well-positioned to progress this plan through a rapid approval process and toward the commencement of production revenue, as an optional first stage along the growth path to leading polymetallic producer; and
- **Capital Efficiency.** In addition to having relatively low costs, Argent has developed a track record in capital-efficient funding. Approximately \$2 million in funding has been raised since July 2013 through the Company's R&D claims, with a considerable portion of these funds being reinvested directly into project value.  
On 18 September 2014 Argent announced that it had been awarded \$158,400 in heavily contested NSW Government funding to drill-test the significant exploration upside identified at the Kempfield Polymetallic Project.  
The net result is a significant reduction in the dilution of Argent Minerals ordinary share capital. The Company intends to continue to pursue capital-efficient funding methods.



Argent Minerals is aggressively pursuing the significant exploration upside potential that it has identified within the Kempfield Polymetallic Project area featuring high grade base and precious metals



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 major producer during a period of forecast zinc shortages



# 2015 HIGHLIGHTS - A STRONG YEAR FOR ARGENT MINERALS

Argent Minerals Limited has concluded the financial year ending 30 June 2015 with the advancement of the Kempfield and West Wyalong projects to 'company maker' potential. Highlights of this report include:

## EXPLORATION

### KEMPFIELD POLYMETALLIC PROJECT

- Deep diamond drilling program designed and commenced to test large polymetallic VMS system potential
  - Drilling program targets high grade base and precious metals
  - Deepest drilling in over four decades of Kempfield exploration - up to 700 metres hole length versus historical drilling generally to a relatively shallow depth of only 120 metres
  - First two holes completed for a total of 1,200 metres at the western edge of prospective basin margin
- First two holes validate Argent's deposit model and significant 'size of the prize' potential
  - **5m @ 4.0 g/t gold from 353 m** intersected by the first hole
  - Style and grade of mineralisation intersected and host rock alteration is potentially indicative of proximity to a high temperature volcanogenic massive sulphide feeder zone
  - A major achievement is the validation of the deposit model developed for the project - increasing the potential 'size of the prize' for Kempfield high grade base and precious metals mineralisation
- Extended reach deep diamond drilling program announced
  - 7 additional holes for 3,200 metres to test for untapped potential at Kempfield - depth and strike extensions to existing mineralised lenses, as well as new lenses predicted by Argent's deposit model
- Drilling program underpinned by significant advances in exploration techniques
  - Systematic approach draws on industry best-practice expertise and incorporates geochemistry and advanced geophysics featuring breakthroughs in lead-zinc detection
  - Base and precious metal zonation data announced for Kempfield Mineral Resource

### WEST WYALONG

- Large porphyry copper-gold target identified - Argent earns 51% equity in project, 70% goal in sight
- High resolution induced polarisation survey commenced August 2015 to aid drill test plan design

## CORPORATE FUNDING

- Argent continues to differentiate itself as a capital-efficient operation
  - Approximately \$1.9 million raised in total, including an R&D claim for \$173,000, the NSW Government cooperative drilling grant of \$158,400, two placements to sophisticated investors for \$648,000 and \$525,500 each, and subsequent to the financial year, \$400,000 from the Share Purchase Plan
  - More than \$330,000 of the total funds raised is non-dilutionary

# CHAIRMAN'S LETTER

ARGENT MINERALS LIMITED

Dear Fellow Shareholder,

Argent remains focused on enhancing shareholder value through exploration and development of its principal projects, Kempfield and West Wyalong.

At Kempfield, the current silver price in combination with the delineated mineral resources will not support the establishment of a mining operation of significant scale. However, we have located VMS (volcanogenic massive sulphide) targets which - if realised when drilled - may form attractive additions to our mineral inventory, and consequently move us closer to a production scenario.

Our initial drilling of these targets is tantalising in that it appears to have confirmed our conceptual geological model, which now needs to be tested. This will be the focus of our forthcoming drill program, with the continuing ultimate aim of adding sufficient sulphide tonnage and grade to achieve the critical mass that would warrant the development of a zinc, lead and silver scenario at today's metal prices.

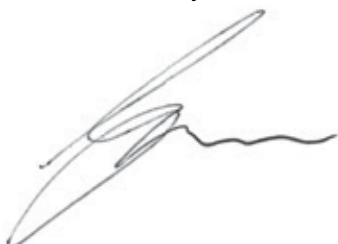
The West Wyalong copper-gold prospect contains interesting geophysical anomalies that, again, may indicate mineralisation targets. A follow up geophysical program has commenced, following which we will determine drill program requirements.

Your Company's management has maintained its active stance on stewardship of funds and is attempting to ensure that as high a proportion of raised funds as practicable is expended on active exploration and resource delineation. Only in this way can we maximise the opportunity for substantially increasing our asset value.

I would like to take this opportunity to thank our employees, consultants, contractors and my fellow directors for their tireless assistance and dedication over the past year. The active and helpful participation of other stakeholders, including the New South Wales Government's Co-operative Drilling Program, has been instrumental in our progress.

Finally, I would like to thank shareholders for their support during the year.

Yours sincerely,



Steve Gemell  
Chairman

# OPERATIONS REVIEW

## EXPLORATION - KEMPFIELD

### KEMPFIELD POLYMETALLIC PROJECT ADVANCES TO DEEP DIAMOND DRILLING

#### Program designed and commenced to test large polymetallic VMS system potential

Initially conceived as a silver project, Argent Minerals Limited's 100%-owned flagship project, Kempfield, has progressed significantly to being firmly positioned as a polymetallic base and precious metals project. Significant exploration upside potential has been identified immediately to the west of the Company's existing 21.8 million tonne JORC 2012 Mineral Resource (**Western Prospective Area**).

The identified exploration potential for this highly prospective 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 major producer during a period of forecast zinc shortages.

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

Drilling commenced late December 2014 and the first two holes were completed in March 2015.

#### About the design of the first two holes

The first two holes of the drilling plan announced on 17 September 2014 were drilled toward the southeast from locations adjacent to the historic Colossal Reef copper mine. Together these first two holes were designed to test the interpreted VMS feeder zone and Lenses 4 and 5. The hole design was aided by advanced exploration techniques, including geochemistry and advanced geophysics (for further details see under heading, 'Drilling Program Underpinned by Significant Advances in Exploration Techniques').

The first hole, AKDD178, was drilled to a length of 498 metres. The second hole, AKDD179, is the longest hole drilled to date at Kempfield, being completed to a length of 702 metres (see Figure 4).

### FIRST TWO HOLES VALIDATE ARGENT'S DEPOSIT MODEL AND SIGNIFICANT 'SIZE OF THE PRIZE' POTENTIAL

#### High grade gold (Au) intersected by the first diamond hole

On 25 February 2015, Argent reported exploration results for the first hole of the Kempfield deep diamond drilling program.

**5 m @ 4.0 g/t Au from 353 m** was intersected by diamond hole AKDD178. The style and significant grade of the gold mineralisation intersected, and the host rock alteration, are together potentially indicative of proximity to a high temperature VMS feeder zone.

According to the exploration model developed for Kempfield by Argent in conjunction with Professor Ross Large of the Australian Research Council Centre for Excellence in Ore Deposits (**CODES**), the existing Kempfield deposit could be the predominantly silver/barite portion of a much larger VMS system in which higher grade base and precious metals remain to be discovered.

Under this model, progressively higher base metal grades could be anticipated toward the west from the existing deposit, correlating with zones of increasing temperature at the original time of deposition. Furthest to the west, at the highest deposition temperatures associated with the volcanic feeder source, the model predicts high grade gold, such as that intersected by this first hole.

The results of this first hole provide a favourable indication in relation to the Argent deposit model, and accordingly, the prospectivity of a potentially significant polymetallic VMS system at Kempfield featuring high grade base and precious metals in addition to the existing substantial silver deposit.

# OPERATIONS REVIEW

## About the assay results for Hole #1 (AKDD178)

In the 25 February 2015 announcement Argent reported that the mineralised interval (**5 m @ 4.0 g/t Au from 353 m**) displays multiple quartz veining and pyrite/gold sulphide veins stockwork in intensely and pervasively silicified and brecciated felsic volcanoclastic rock (see Figure 1).

Table 1 - Preliminary results for Hole #1 - AKDD178

Note_ID	From (m)	To (m)	Sample Number	Sample Type	Submittal Number	Average Au* (ppm)
AKDD178	353.0	354.0	1133050	Half NQ	294056	0.28
AKDD178	354.0	355.0	1133051	Half NQ	294056	6.805
AKDD178	355.0	356.0	1133052	Half NQ	294056	7.845
AKDD178	356.0	357.0	1133053	Half NQ	294056	2.62
AKDD178	357.0	358.0	1133054	Half NQ	294056	2.435
	<b>353.0</b>	<b>358.0</b>	<b>Average gold grade for the total 5 m interval</b>			<b>4.0</b>

\* See 25 February 2015 announcement.

Figure 1 - Photograph of core samples for the reported interval



## Drilling results increase potential 'size of the prize' at Kempfield

On 21 April 2015 the Company announced that Hole #2 (AKDD179) had intersected 2 m @ 0.28 g/t Au from 398 m, and 1 m @ 0.54 g/t Au from 522 m, and strong hydrothermal alteration that occurred at relatively high temperatures.

In the announcement Argent reported that, together with the significant grade of gold intersected by Hole #1 - **5 m at 4 g/t Au from 353 m**, the attributes of the material intersected by both Holes #1 and #2 are potentially indicative of proximity to a high temperature VMS feeder zone and the potential for high grade base and precious metal mineralisation featuring zinc and lead.

A potentially major achievement of this early part of the Kempfield deep diamond drilling program is that examination and interpretation of the drill core has validated Argent's hypothesis for the formation processes and the model for the current structure of the Kempfield deposit.

A significant outcome of the model validation is the increased potential 'size of the prize' at Kempfield.

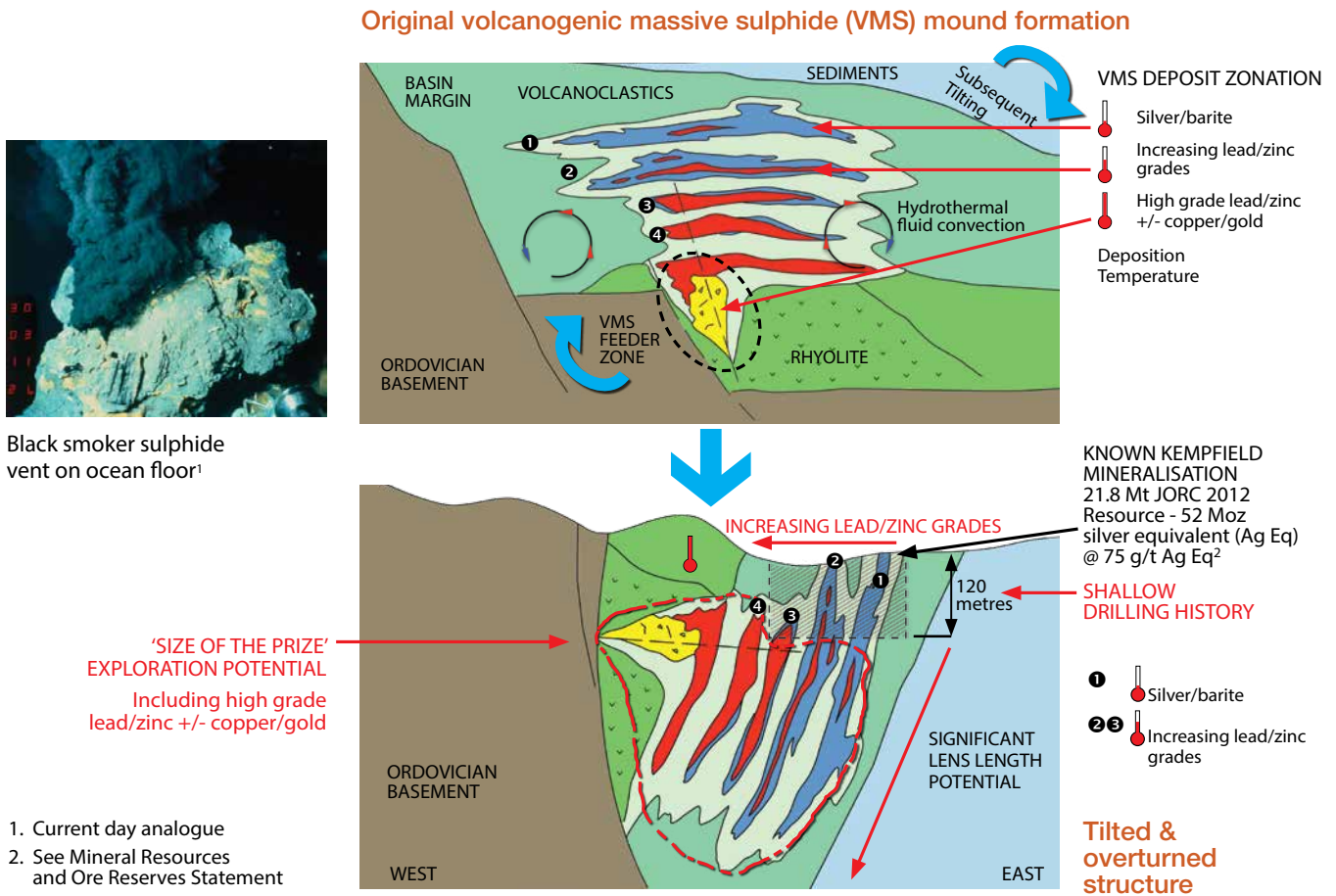
# OPERATIONS REVIEW

## About the validated deposit model

The stratigraphic sequence intersected by Holes #1 and #2 validates Argent's hypothesis for the formation and current structure of the Kempfield deposit, that it was most likely formed initially as a mound type VMS deposit, resembling a pancake-like stack of horizontal mineralised layers usually referred to as 'lenses'.

Subsequent to the initial lens deposition process, the entire mound was tilted and overturned by tectonic plate forces, to where the deposit rests today as a group of parallel lenses that are steeply dipping to the west (see Figure 2).

Figure 2 – The Kempfield deposit model validated by the diamond core examination and interpretation (west-east section shown)



The validated model implies that the lengths of the steeply dipping lenses could extend to substantial depths from their uppermost portions at or near the surface. This applies to both the existing known lenses and the additional lenses targeted by Argent's continuing Kempfield deep diamond drilling program.

To put this in perspective, the existing 21.8 Mt Mineral Resource has been estimated from the results of mostly shallow drilling conducted to a depth of only 120 metres, and highly concentrated on the areas of Lenses 1 and 2, and the southern portion of interpreted Lens 3.

This highly focused drilling resulted in a Mineral Resource with 82% of the estimated tonnes in Measured or Indicated category in potential readiness for advancement toward production. However, the vast majority of the Kempfield area remains untested for several hundred metres immediately to the west of the existing deposit, and at depth underneath the deposit.

The Company is also planning to test the extensive strike potential of up to 4 km to the north of the known Kempfield deposit, featuring geophysical anomalies that indicate possibilities for further mineralisation in that direction.

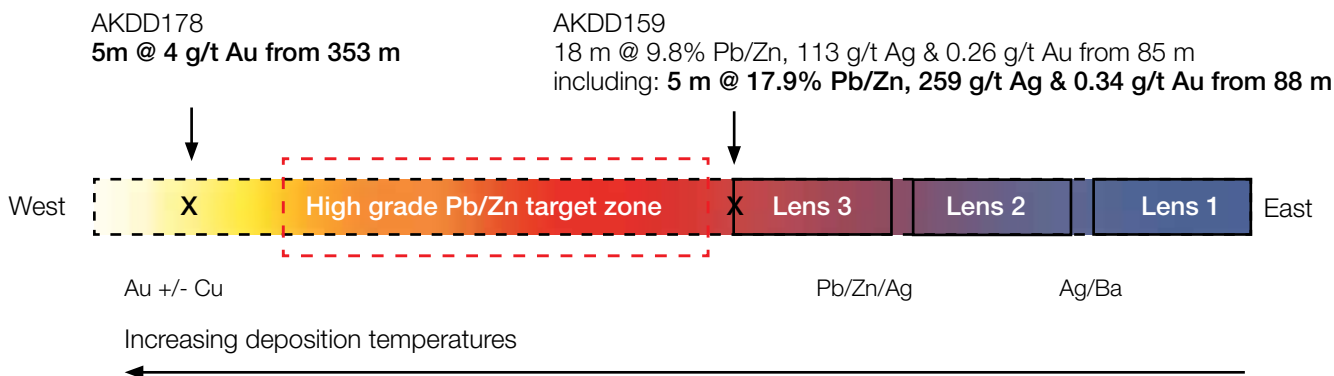
This validation of Argent's geological model for Kempfield represents a major step forward in understanding the structure of the deposit, which will be key to narrowing down the potential locations of the high grade base and precious metal mineralisation that the Company is targeting with its highly methodical approach to exploration.

# OPERATIONS REVIEW

## About the high grade lead/zinc target zone

This recently validated deposit model also predicts the increased likelihood of a high grade lead/zinc zone between the Hole #1 gold intersection of 5 m @4 g/t Au from 353 m and the western portion of the known deposit at depth, and/or where previous hole AKDD159 intersected high grade base and precious metal mineralisation (Figure 3).

Figure 3 – High grade lead/zinc target zonation within the Kempfield polymetallic VMS deposit



(Au: gold, Pb: lead, Ag: silver, Zn: zinc)

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 major producer during a period of forecast zinc shortages.

The next step in the Kempfield exploration program is to drill test the validated deposit model.

## EXTENDED REACH DEEP DIAMOND DRILLING PROGRAM ANNOUNCED

On 29 April 2015 Argent Minerals announced an extended reach deep diamond drilling program comprising seven holes for a total of 3,200 metres.

The additional holes have been designed to test the recently validated VMS deposit model which predicts the potential for significant depth extensions to mineralised lenses below the known deposit as well as new lenses.

Most of the historical drilling at Kempfield has been relatively shallow to only 120 metres, with the intersected mineralisation leaving the deposit open at depth, to the west, and to the north.

Figure 4 displays a plan view of the extended reach drilling program, and Figure 5, an example cross section. For further details please refer to the 29 April 2015 ASX announcement.

## DRILLING PROGRAM UNDERPINNED BY SIGNIFICANT ADVANCES IN EXPLORATION TECHNIQUES

The hole design was aided by advanced exploration techniques, including geochemistry and advanced geophysics featuring breakthroughs in lead-zinc detection, as follows.

### About the geochemistry - base and precious metal zonation data announced for 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 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.

# OPERATIONS REVIEW

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 (see Table 2 on page 79 of this report). A similar pattern is observed within the West McCarron Zone, where gold grades increase with depth.

Immediately 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, as highlighted in Figure 3. These intersections 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 validated Kempfield deposit model.

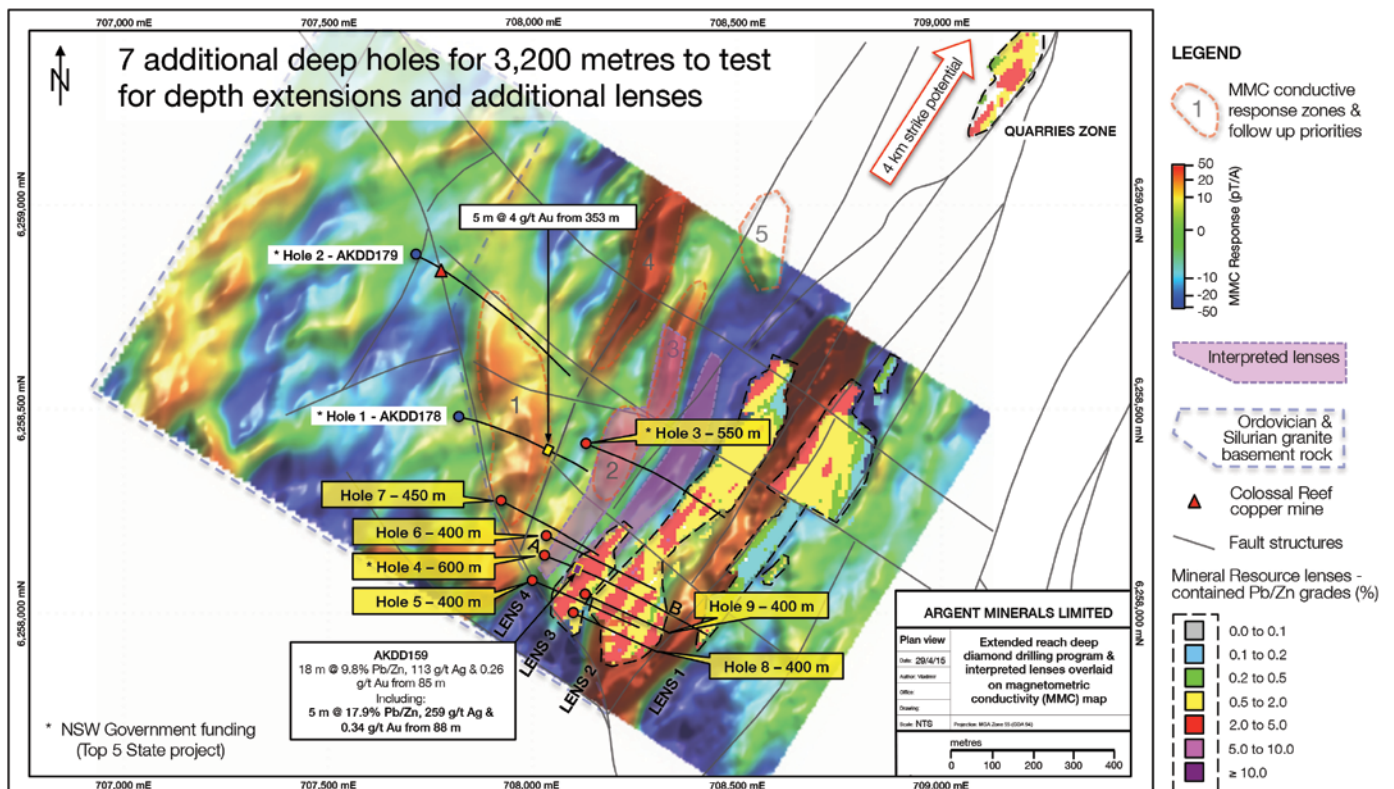
The new evidence, in the context of Professor Large's research, points to the potential for rich base and precious metal grades in the Western Prospective Area. This area hosts the historic Colossal Reef copper mine and strong copper anomalies in soil geochemistry.

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, with reported combined base metals grades in excess of 20%.

## About the advanced geophysics

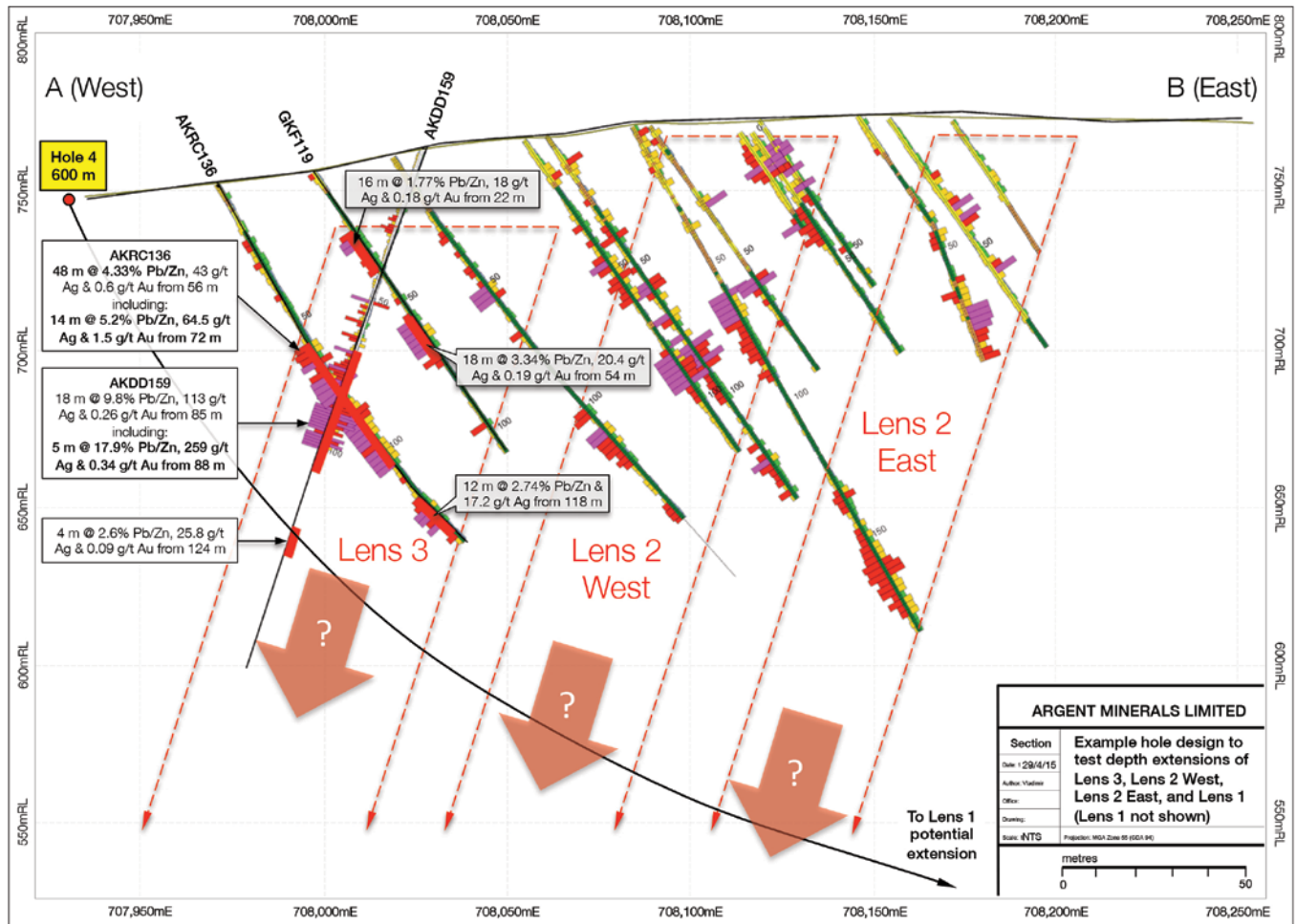
On 22 October 2014 Argent announced the results of the surface magnetometric conductivity (MMC) surveys conducted at Kempfield - also referred to as magnetometric resistivity (MMR) or sub audio magnetics (SAM). Five targets were delineated and assigned priorities for follow up. The highest priority targets were taken into account in the design of the extended reach deep diamond drilling program shown in Figure 4.

Figure 4 – Extended reach deep diamond drilling program & interpreted lenses overlaid on MMC response map



# OPERATIONS REVIEW

Figure 5 – Cross section AB showing high grade lead/zinc intersections and example hole design to test at depth (See Figure 4 for the plan view of the location of cross section AB)







Most of the historical drilling at Kempfield has been relatively shallow to only 120 metres, with the intersected mineralisation leaving the deposit open at depth, to the west, and to the north.

# OPERATIONS REVIEW

## EXPLORATION – WEST WYALONG

### **WEST WYALONG PROJECT NOW ON THE MAP WITH A POTENTIALLY 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 only 37 kilometres to the north of West Wyalong - the Lake Cowal mine.

The co-location of the magnetic anomaly with an induced polarisation (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 potentially sizeable Australian porphyry copper-gold target, in which Argent has now earned a 51% interest. 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.

#### **Argent Board strongly encouraged by Evolution Mining acquisition of Lake Cowal Mine**

On 1 June 2015 Argent Minerals announced that the Company was strongly encouraged by the announcement of a tangible transaction in the precious metals mining space, which could serve as a guide to the value potential for a fully developed asset at the Company's West Wyalong Project.

On 25 May 2015 Evolution Mining Limited (**Evolution, ASX:EVN**) announced that it had executed a share purchase agreement with Barrick Cowal Pty Limited for its transformational acquisition of the Cowal Gold Mine (**Cowal**) for \$US550 million (\$A694 million).

According to Evolution's announcement, Cowal is one of Australia's most attractive gold assets with combined annual production of 230-260,000 ounces of gold, and all-in sustaining costs (**AISC**) of \$A850-900 per ounce.

The Cowal transaction confirms the Board's view that it should continue to pursue delineation and testing of the large porphyry copper gold target established by Argent at West Wyalong.

Located only 7 kilometres from the West Wyalong gold fields that produced 445,700 ounces of gold between 1894 and 1921, Argent's project is strategically located on the Narragudgil Volcanics, in between the Gilmore Suture, a major crustal structure, and the Yiddah Formation.

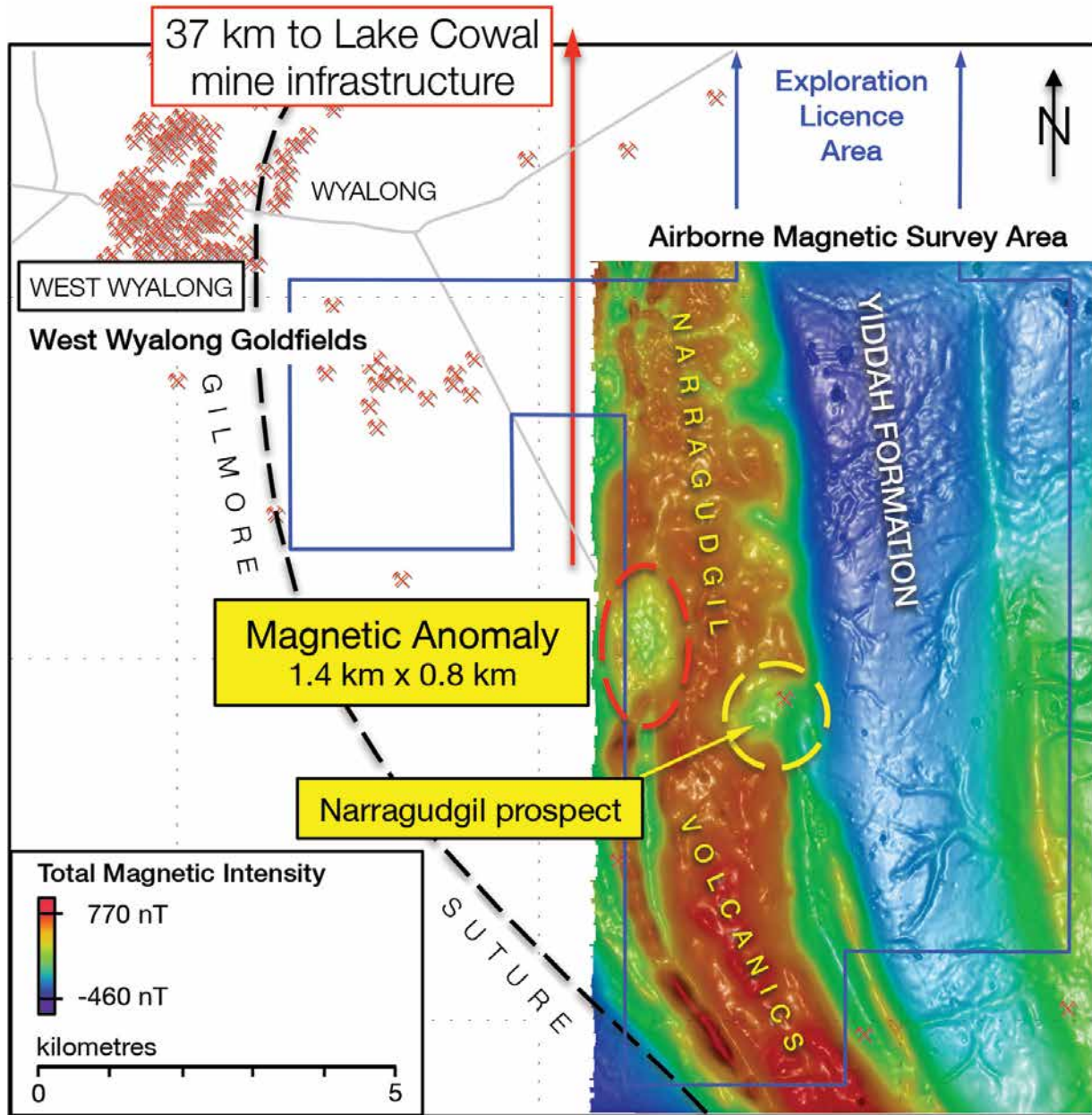
Copper-gold porphyry deposits commonly occur in orogenic belts at convergent plate boundaries and are often associated with oceanic volcanic island arcs overlying oceanic crust such as the Macquarie Arc.

Ordovician age Narragudgil Volcanics are prospective for porphyry copper-gold deposits, which are typically medium to large tonnage (30 to >300 Mt) with grades ranging from 0.4 to 2.5 g/t gold and 0.2 to 1.5% copper.

Figure 6 shows the location and size of the anomaly in the geological context.

# OPERATIONS REVIEW

Figure 6 - West Wyalong geological setting, regional map and airborne magnetic survey area





On 17 August 2015, Argent announced that it had commenced the high resolution IP survey at West Wyalong

# OPERATIONS REVIEW

Figures 7a and 7b show a side by side comparison plan view of the magnetic low and the chargeability high identified over the area of interest. Figures 8a and 8b are to the same scale as Figures 7a and 7b, and show the related cross sections of the interpreted models of the anomalies to a depth of approximately 625 metres from surface.

Figure 7a - Magnetic low anomaly (plan view)

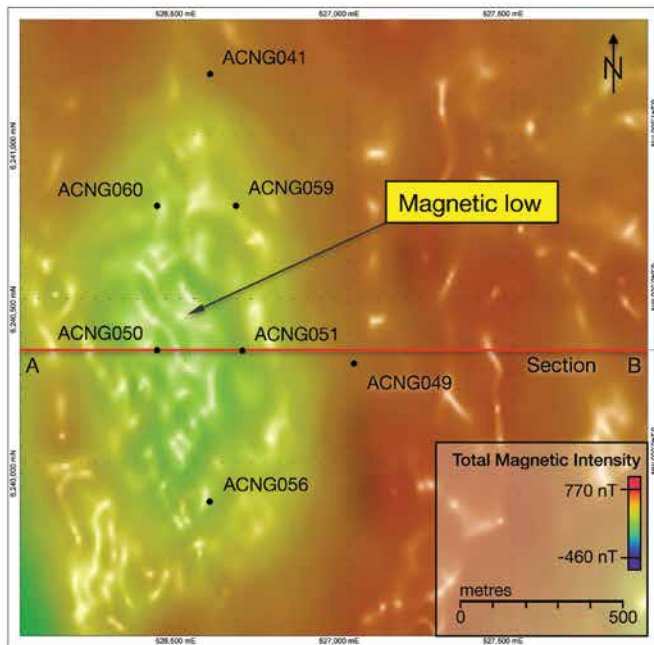


Figure 7b - IP chargeability for same area as Figure 7a

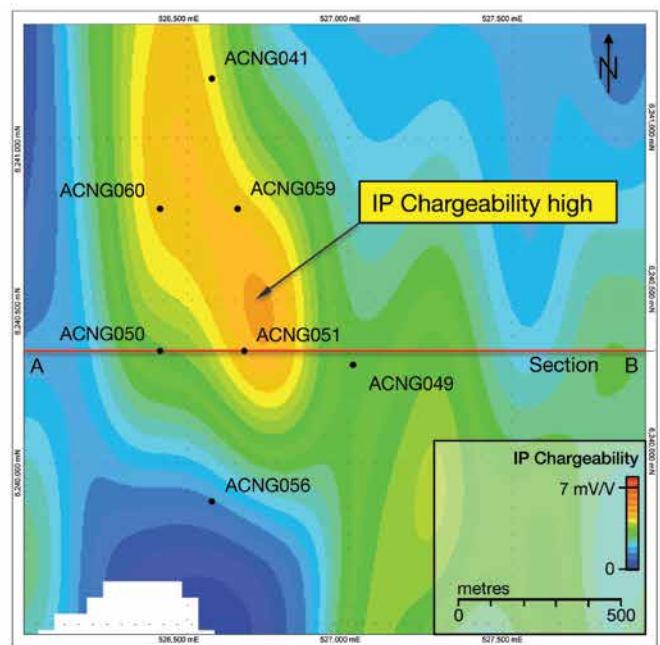


Figure 8a - Magnetic low anomaly (cross section AB)

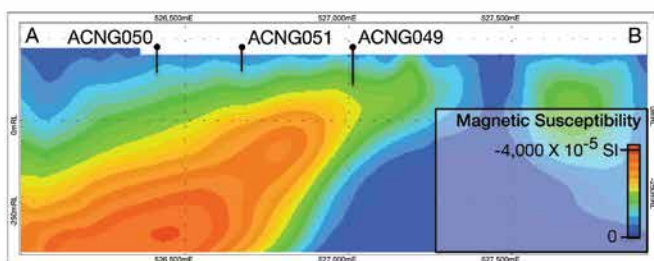
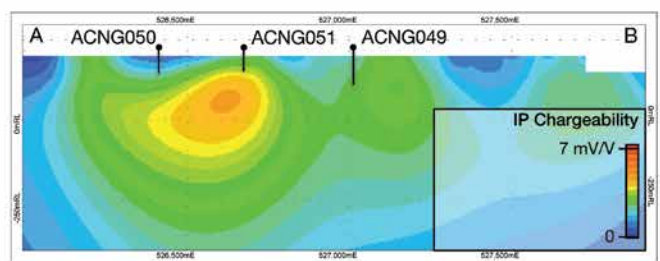


Figure 8b - IP chargeability (cross section AB)



## Follow up IP survey and drill testing plan

Argent noted in the 1 June 2015 announcement that it has determined that the porphyry copper gold target at West Wyalong is to be tested as a priority.

The announcement also stated that, prior to drill testing of this target, the area will be surveyed with a high resolution deeply penetrating IP survey, to complement the high resolution magnetic survey performed in 2014, and serve as an aid for precision drillhole planning.

On 17 August 2015, Argent announced that it had commenced the high resolution IP survey at West Wyalong.

The results of the survey will be announced to the ASX once they are available.

## Argent earns 51% equity in project, 70% goal in sight

During the year Argent earned 51% equity in the project. The Company 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.

# OPERATIONS REVIEW

## CORPORATE

### BOARD CHANGES

#### **Farewell Marcus Michael**

On 15 June 2015 it was with deep regret and sadness that Argent reported that Marcus Michael, a founder and non-executive Director of Argent Minerals, had passed away suddenly and unexpectedly.

Marcus had been fighting an illness with the same vigour that he applied to each business that he was involved in, and everything that he put his hand to in life. Whilst Marcus had completed the medical treatments and was expected by all to recover fully, he passed away suddenly and unexpectedly in Perth, Australia, with his wife at his side.

The Board, staff and colleagues of Argent Minerals will remember Marcus as a highly talented, energetic, enthusiastic, and inspirational business colleague and confidante, who invested significant time and energy in all his business relationships, whilst also ensuring time with his family as a top priority. He will be sorely missed.

Marcus was a founder of Argent Minerals, accountancy firm Marshall Michael, several ASX listed companies, and was also involved in the management of a hospital in Perth. He made a significant contribution to Argent Minerals and the junior minerals exploration industry in Australia.

The Board, staff and broader Argent Minerals family continue to extend their sincere condolences to Marcus' family and friends.

#### **Director appointment – Sarah Shipway**

On 15 June 2015 Argent Minerals advised that Sarah Shipway had been appointed as Non-Executive Director of the Company, following the untimely passing away of Non-executive Director Marcus Michael.

Having served as Argent Minerals' Company Secretary since 22 November 2013, Sarah has a detailed working knowledge of all regulatory, corporate governance, and financial accounting matters of the Company. Ms Shipway has a Bachelor of Commerce from Murdoch University, Western Australia, and is a member of the Institute of Chartered Accountants in Australia.

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

Argent has developed a track record in efficient balance sheet management, with significantly reduced dilution to the ordinary shares on issue. A significant contributor to this outcome is the Company's pursuit of alternate funding sources such as research and development (R&D) claims, and the award of the NSW Government funding for the Kempfield drilling project.

The 30 June 2014 research claim of approximately \$173,000 takes the total R&D claims to approximately \$2 million since July 2013, which includes R&D claims from 2011 to 2014. This funding has been instrumental in Argent adding significant value to its project portfolio - now comprising two significant projects with 'company maker' potential - Kempfield, 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 year.

#### **Award of NSW State Government funding grant based on merit**

The quality of the Kempfield Polymetallic Project targets and the diamond drilling program is reflected in the award of one of the five largest grants by the NSW Government under its 2014 Cooperative Drilling Program.

On 17 September 2014 Argent announced that it had been awarded \$158,400 of highly contested funding by the NSW Government for the Kempfield drilling program based on merit, following a detailed assessment by an independent panel of expert geoscientists.

Under the Cooperative Drilling Program award, Argent Minerals will receive \$158,400 on completion of the work prior to 30 September 2015, and after sharing of the results, drill samples and reports with the NSW Government Division of Resources and Energy.

# OPERATIONS REVIEW

## About the private placements

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. Subject to shareholder approval which was obtained at the general meeting held on 5 February 2015, free attaching listed options were issued as part of the Placement, exercisable at \$0.175 on or before 31 March 2016.

On 18 June 2015 the Company announced that it had completed a private placement to sophisticated investors to raise a total of \$525,500 in capital through the issue of 23,886,364 fully paid ordinary shares. Free attaching listed options, exercisable at \$0.175 on or before 31 March 2016 were also issued for every share subscribed, following shareholder approval at the general meeting held on 7 August 2015.

A total of \$1,173,625 was raised from private placements before costs.

## Share Purchase Plan

A share purchase plan was announced on 18 June 2015, to enable eligible shareholders to acquire ordinary shares and free attaching options under the same pricing terms as that offered to sophisticated investors under the 18 June 2015 private placement, subject to shareholder approval which was obtained at the 7 August 2015 general meeting.

Subsequent to the financial year, on 11 August 2015, Argent Minerals announced that it had received applications totalling \$400,000, resulting in the issue of 18,181,786 new shares together with 17,499,968 free attaching options exercisable at \$0.175 on or before 31 March 2016.

In the 11 August 2015 announcement the Company stated that it was delighted with the strong response from its shareholders. Together with the private placement announced on 18 June 2015, a total of approximately \$925,500 has been raised before costs.

The Company further commented in the 11 August 2015 announcement that this represents a considerable strengthening of Argent's balance sheet and cash position ahead of the Company's planned exploration work.

The proceeds from the recent private placement and the Share Purchase Plan will be used to fund the 7 hole 3,200 metre extended reach Kempfield deep diamond drilling program announced on 29 April 2015, targeting high-grade zinc/lead mineralisation and potentially, copper and gold, a downhole geophysics survey for selected Kempfield diamond holes, the high resolution geophysics IP survey at the Company's West Wyalong Project, and working capital.

## Corporate funding summary

A total of approximately \$1.5 million funding was raised during the year, including the R&D claim for \$173,000, the NSW Government Cooperative Drilling grant of \$158,400, and the two private placements to sophisticated investors for \$648,000 and \$525,500 each.

More than \$330,000 of the \$1.5 million funds raised is non-dilutionary.

Including the \$400,000 raised from the Share Purchase Plan subsequent to the year, the total funds raised before costs is approximately \$1.9 million.

The Company notes that this was achieved during a period of significant market volatility, and looks forward to commencing the significant planned exploration and reporting the results.

# OPERATIONS REVIEW

## COMPETENT PERSON STATEMENTS

### Previously Released Information

This Annual Report 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;
- 30 September 2014 Annual Report to Shareholders;
- 16 October 2014 Base and precious metal grade zonation in Kempfield Resource;
- 29 October 2014 Kempfield Deep Diamond Drilling Program;
- 25 February 2015 Hole 1 intersects significant gold grades at Kempfield;
- 21 April 2015 Hole 2 increases potential size of the prize at Kempfield; and
- 29 April 2015 Extended reach for 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.

The Company's project assets are situated in the Lachlan Orogen in New South Wales, Australia, a richly mineralised geological terrane which extends from northern NSW and through Victoria into Tasmania.







# DIRECTORS' REPORT

## DIRECTORS

The names and particulars of the directors of the Company during the financial year and as at the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

**STEPHEN GEMELL** B.Eng (Mining) (Hons), FAusIMM (CP), MAIME, MMICA  
Non-Executive Chairman  
Appointed 7 July 2010

Stephen Gemell has more than 37 years experience in the Australasian and global mining industry. He has been Principal of Gemell Mining Engineers, an independent multi-discipline consultancy, since its formation in Kalgoorlie in 1984. His experience includes operational management in underground and open pit mining and supervision of CIP/CIL, flotation and alluvial plants.

During the past three years he has also served on the board of the following listed companies:

Company	Date of Appointment	Date of Resignation
Eastern Iron Limited	January 2010	Not Applicable
Golden Cross Resources Limited	June 2012	October 2014
Dateline Resources Limited	October 2013	August 2014
Indochine Mining Limited	March 2011	June 2013
UCL Resources Limited	October 2011	July 2013

**DAVID BUSCH** B.Eng (Elec), BSc, MAusIMM  
Managing Director  
Appointed 10 April 2012

David is a qualified engineer with more than 26 years experience in strategic leadership roles, including business and project management on behalf of Australian majors BHP Billiton and Macquarie Bank, and international process contract and automation leader Honeywell.

David has broad senior management experience from operational to board levels, including founder and managing director of Australian minerals exploration companies and as chairman of a publicly listed equipment finance company in Indonesia. David is a member of the Australasian Institute of Mining and Metallurgy.

During the past three years he has also served as a director of the following listed companies:

Company	Date of Appointment	Date of Resignation
Goodrich Resources Limited	August 2011	March 2012

# DIRECTORS' REPORT

## **MARCUS MICHAEL** B.Bus, CA

Non-Executive Director

Appointed 4 April 2007

Retired 11 June 2015

Marcus Michael was a Chartered Accountant with extensive experience in the Australian financial markets including ASX company listings, equity and debt funding, mergers and acquisitions and corporate restructures and recapitalisations.

Marcus was a founding director of Marshall Michael Pty Ltd, Chartered Accountants. This firm was established in 1994 as a boutique corporate and business advisory, wealth management, tax advisory and financial and management reporting practice, servicing mining and exploration, healthcare and information technology sectors.

Marcus graduated from Curtin University with a Bachelor of Business and was a Member of the Institute of Chartered Accountants.

During the past three years he had also served as a director of the following listed companies:

Company	Date of Appointment	Date of Retirement
St George Mining Limited	October 2009	June 2015
Beacon Minerals Limited	March 2012	June 2015
Cardinal Resources Limited	December 2012	June 2015

## **SARAH SHIPWAY** CA, B.Com

Non-Executive Director

Appointed 11 June 2015

Sarah Shipway was appointed Non-Executive Director of Argent Minerals on 11 June 2015 and was appointed Company Secretary of Argent Minerals on 22 November 2013. Sarah has a Bachelor of Commerce from Murdoch University and is a member of the Institute of Chartered Accountants.

During the past 3 years she has also served as a director of the following listed companies:

Company	Date of Appointment	Date of Resignation
St George Mining Limited	June 2015	Not Applicable
Beacon Minerals Limited	June 2015	Not applicable

# DIRECTORS' REPORT

## COMPANY SECRETARY

**SARAH SHIPWAY** CA, B.Com

Sarah Shipway was appointed Company Secretary of Argent Minerals on 22 November 2013. For further information relating to Sarah Shipway, please refer to the details on directors - (page 27).

## DIRECTORS' INTERESTS

At the date of this report, or at the date of their retirement if applicable, the Directors held the following interests in Argent Minerals.

Name	Note	Ordinary Shares	Options Ex. \$0.175 on or before 31 March 2016	Tranche 1 Performance Rights	Tranche 2 Performance Rights
David Busch	-	2,681,818	681,818	1,500,000	1,000,000
Marcus Michael	1	4,812,000	2,406,000	-	-
Stephen Gemell	-	1,181,818	250,000	-	-
Sarah Shipway	-	-	-	-	-

Note 1: Director's holdings as at the date of retirement, being 11 June 2015.

David Busch has had no interest, whether directly or indirectly, in a contract or proposed contract with Argent Minerals during the financial year. Marshall Michael Pty Ltd Chartered Accountants, of which Marcus Michael was a director of and where Sarah Shipway is an employee, provides accounting, bookkeeping, corporate secretarial and administration services to the Company. Gemell Mining Services Pty Ltd, which Stephen Gemell is a director of, provides consulting services to the Company.

## PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration in New South Wales, Australia.

## RESULTS AND REVIEW OF OPERATIONS

The results of the consolidated entity for the financial year ended 30 June 2015 is a comprehensive after income tax loss of \$1,528,384 (2014: loss of \$96,852).

A review of operations of the consolidated entity during the year ended 30 June 2015 is provided in the 'Operations Review' immediately preceding this Directors' Report.

# DIRECTORS' REPORT

## LIKELY DEVELOPMENTS

The Group's focus over the next financial year will be on its key projects, Kempfield, Sunny Corner and West Wyalong. Further commentary on planned activities in these projects over the forthcoming year is provided in the 'Operations Review'. The Company will also assess new opportunities, especially where these have synergies with existing projects.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Group during the financial year, other than those noted in this financial report.

## ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

## DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## DIRECTORS' MEETINGS

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were as follows:

Name	Note	Eligible to attend	Attended
S Gemell	-	7	7
D Busch	-	7	7
M Michael	1	7	5
S Shipway	1	-	-

Note 1: M Michael retired as Non-Executive Director on 11 June 2015 and S Shipway was appointed as Non-Executive Director on 11 June 2015.

## REMUNERATION REPORT – AUDITED

### REMUNERATION POLICY

The remuneration policy of Argent Minerals Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component, which is assessed on an annual basis in line with market rates and equity related payments. The Board of Argent Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.

# DIRECTORS' REPORT

- Executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The entity is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity, and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$250,000 per annum. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

## DETAILS OF DIRECTORS AND EXECUTIVES

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the entity.

Directors/Executives	Position Held as at 30 June 2015 and any changes during the year
S Gemell	Non-Executive Chairman
D Busch	Managing Director
M Michael	Non-Executive Director – Retired 11 June 2015
S Shipway	Non-Executive Director – Appointed 11 June 2015

Executive director's remuneration and other terms of employment are reviewed annually by the non-executive directors having regard to performance against goals set at the start of the year, relative to comparable information and independent expert advice.

Except as detailed in the Remuneration Report, no director has received or become entitled to receive, during the financial year or since the financial year end, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Company.

# DIRECTORS' REPORT

## REMUNERATION OF DIRECTORS AND EXECUTIVES

Remuneration for the financial year ended 30 June 2015.

Directors/ Executives	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Equity Settled Share-Based Payments	Total	% of Remuneration as Share Payments
	Salary, Fees and Leave	Eligible Termination Payment	Non- Monetary Payment (i)	Superannuation	Long Service Leave	Performance Rights (ii)		
	\$	\$	\$	\$	\$	\$	\$	%
<b>D Busch</b>								
2015	253,036	-	5,310	23,750	-	41,629	323,725	12.86
2014	265,182	-	5,767	23,125	-	37,409	331,483	11.29
<b>S Gemell</b>								
2015	60,000	-	1,224	5,700	-	-	66,924	-
2014	47,500	-	1,038	4,394	-	-	52,932	-
<b>M Michael</b>								
2015	40,000	20,000	1,261	3,800	-	-	65,061	-
2014	44,167	-	965	4,085	-	-	49,217	-
<b>S Shipway (iii)</b>								
2015	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-
<b>Total</b>								
2015	353,036	20,000	7,795	33,250	-	41,629	455,710	9.13
2014	356,849	-	7,770	31,604	-	37,409	433,632	8.63

(i) Non-monetary benefits are for directors' and officers' liability and legal expense insurance premiums.

(ii) The terms and conditions in relation to the Performance Rights granted as remuneration during the year are detailed below.

(iii) S Shipway was appointed as a director on 11 June 2015.

### Other transactions and balances with Key Management Personnel

Accounting, bookkeeping, corporate secretarial and administration service fees of \$102,750 (2014: \$94,815) were paid or payable, for services rendered to Argent Minerals on ordinary commercial terms during the year by Marshall Michael Pty Ltd Chartered Accountants, a company which Mr Michael was a director of and in which he had a beneficial interest and where Ms Shipway is an employee.

Engineering consulting fees of \$1,260 (2014: \$10,148) were paid or payable on ordinary commercial terms during the year to Gemell Mining Engineers, a company in which Mr Gemell has a beneficial interest.

# DIRECTORS' REPORT

## REMUNERATION PERFORMANCE RIGHTS

For details on the valuation of the Performance Rights, including models and assumptions, please refer to Note 24. Share based payments granted as compensation to directors/executives during the prior financial year.

Grant Date	No. (i)	Value per Right at Grant Date \$ (ii)	Value \$	Amount Paid/Payable by Recipient \$
24 July 2013	1,500,000	\$0.05	75,000	-
24 July 2013	1,000,000	\$0.05	50,000	-

- (i) On the 29 August 2013 the Company issued 1,500,000 Tranche 1 Performance Rights and 1,000,000 Tranche 2 Performance Rights to its Managing Director Mr David Busch. The issue of the Performance Rights was initially approved at a general meeting held 24 July 2013 and subsequently at the Company's 20 November 2013 Annual General Meeting.

In order for the Tranche 1 Performance Rights to vest as Shares, all of the following Vesting Conditions (Tranche 1 Vesting Conditions) must be achieved:

- (a) the Group receiving all necessary approvals for the commencement of the Kempfield Project;
- (b) the Group making a public announcement to ASX of its intent to mine the Kempfield Project;
- (c) the Group entering into legally binding arrangements for debt funding for the Kempfield Project; and
- (d) the Group entering into a construction contract with a principal contractor in respect of the Kempfield Project.

In order for the Tranche 2 Performance Rights to vest as Shares, all of the following Vesting Conditions (Tranche 2 Vesting Conditions) must be achieved:

- (a) the Tranche 1 Vesting Conditions having been met; and
- (b) receipt by the Group of written confirmation of Completion by the provider of the Kempfield Project debt funding.

The performance rights shall expire at 5:00pm (WST) on the date which is 36 months after the date of issue, being 26 August 2016.

- (ii) The fair value of the Performance Rights granted as remuneration and as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions necessary for vesting are satisfied.

## EMPLOYMENT CONTRACTS OF DIRECTORS AND EXECUTIVES

The Company has entered into an employment agreement with Mr David Busch whereby Mr Busch receives remuneration of \$250,000 per annum plus statutory superannuation. The agreement may be terminated subject to a 3 month notice period.

Mr Gemell received remuneration of \$60,000 per annum plus statutory superannuation. Prior to April 2014 Mr Gemell's remuneration was \$45,000 plus statutory superannuation.

Mr Michael received remuneration of \$40,000 per annum plus statutory superannuation as a Non-Executive Director. Prior to April 2014 in his capacity as Non-Executive Director Mr Michael's remuneration was \$30,000 per annum plus statutory superannuation.

Ms Shipway receives remuneration of \$40,000 per annum as a Non-Executive Director.



# DIRECTORS' REPORT

## Ordinary shareholdings of key management personnel

Directors and other key management personnel	Balance at 1 July 2014 (i)	Net other change (ii)	Balance at 30 June 2015 (iii)
David Busch	1,000,000	1,000,000	2,000,000
Marcus Michael	4,812,000	-	4,812,000
Stephen Gemell	500,000	-	500,000
Sarah Shipway	-	-	-
<b>Total</b>	<b>6,312,000</b>	<b>1,000,000</b>	<b>7,312,000</b>

Directors and other key management personnel	Balance at 1 July 2013 (i)	Net other change (ii)	Balance at 30 June 2014 (iii)
David Busch	-	1,000,000	1,000,000
Marcus Michael	4,812,000	-	4,812,000
Stephen Gemell	500,000	-	500,000
<b>Total</b>	<b>5,312,000</b>	<b>1,000,000</b>	<b>6,312,000</b>

(i) Balance at the beginning of the financial year or at the date of appointment.

(ii) On market transactions for cash consideration.

(iii) Balance at the end of the financial year or at the date of retirement.

(iv) No remuneration shares were issued or options exercised during the financial year ended 30 June 2015.

## Listed Options, exercisable at \$0.175 on or before 31 March 2016, holdings of key management personnel

Directors and other key management personnel	Balance at 1 July 2014 (i)	Granted as remuneration	Net other change	Balance at 30 June 2015 (ii)
David Busch	-	-	-	-
Marcus Michael	2,406,000	-	-	2,406,000
Stephen Gemell	250,000	-	-	250,000
Sarah Shipway	-	-	-	-
<b>Total</b>	<b>2,656,000</b>	<b>-</b>	<b>-</b>	<b>2,656,000</b>

# DIRECTORS' REPORT

Directors and other key management personnel	Balance at 1 July 2013	Granted as remuneration	Net other change (iii)	Balance at 30 June 2014
David Busch	-	-	-	-
Marcus Michael	-	-	2,406,000	2,406,000
Stephen Gemell	-	-	250,000	250,000
<b>Total</b>	-	-	<b>2,656,000</b>	<b>2,656,000</b>

- (i) Balance at the beginning of the financial year or at date of appointment.
- (ii) Balance at the end of the financial year or at date of retirement.
- (iii) On 24 October 2013 the Company issued an Entitlement Issue Prospectus. The offer made was as a non-renounceable entitlement issue of 1 Option for every 2 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.01 per Option.
- (iv) No remuneration options were issued, cancelled, lapsed or exercised during the financial year ended 30 June 2015.

## Performance Rights

Directors and other key management personnel	Balance at 1 July 2014	Granted as remuneration	Net other change	Balance at 30 June 2015 (i)
David Busch	2,500,000	-	-	2,500,000
Marcus Michael	-	-	-	-
Stephen Gemell	-	-	-	-
Sarah Shipway	-	-	-	-
<b>Total</b>	<b>2,500,000</b>	-	-	<b>2,500,000</b>

- (i) The terms of the Performance Rights and valuation are set out at Note 24.

Directors and other key management personnel	Balance at 1 July 2013	Granted as remuneration	Net other change	Balance at 30 June 2014
David Busch	-	2,500,000	-	2,500,000
Marcus Michael	-	-	-	-
Stephen Gemell	-	-	-	-
<b>Total</b>	-	<b>2,500,000</b>	-	<b>2,500,000</b>

END OF REMUNERATION REPORT

# DIRECTORS' REPORT

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him or her in their capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the year the Company agreed to pay an annual insurance premium of \$7,795 (2014: \$7,770) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

## SHARE OPTIONS AND PERFORMANCE RIGHTS

### UNISSUED SHARES

At the date of this report there were 149,399,569 listed options exercisable at \$0.175 on or before 31 March 2016 and 6,574,000 unlisted options exercisable at \$0.25 on or before 29 August 2016.

There are no other options on issue at the date of this report.

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

At the date of this report there are 2,500,000 Performance Rights that have been issued.

## CORPORATE GOVERNANCE STATEMENT

Argent Minerals is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

Throughout the 2015 financial year the Company's governance was consistent with the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The Group's Corporate Governance Statement can be viewed at: [www.argentminerals.com.au/about/corporategovernance](http://www.argentminerals.com.au/about/corporategovernance)

## EVENTS SUBSEQUENT TO BALANCE DATE

On 10 August 2015 the Company issued 23,886,364 options, excisable at \$0.175 on or before 31 March 2016, as part of the June 2015 placement to sophisticated investors. The options were issued for nil consideration.

On 11 August 2015 the Company issued 18,181,786 shares, at an issue price of \$0.022 and 17,499,968 free attaching options, exercisable at \$0.175 on or before 31 March 2016, under the Share Purchase Plan, to raise \$400,000 before costs.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of the affairs of the consolidated entity in future financial years.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

# DIRECTORS' REPORT

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2015 has been received and forms part of the directors' report and can be found on page 67 of the financial report.

## NON AUDIT SERVICES

The Company's auditor, Stantons International, did not provide any non-audit services to the Group during the financial year ended 30 June 2015.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors.



DAVID BUSCH

Managing Director

Dated this 3 September 2015



# FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2015

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

Australian Dollars (\$)	Note	30 JUNE 2015 \$	30 JUNE 2014 \$
REVENUE FROM CONTINUING OPERATIONS	3	85,193	48,039
EXPENDITURE			
Administration expenses	4	(718,608)	(826,456)
Exploration and development expenditure written off		(1,068,158)	(1,100,068)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(1,701,573)	(1,878,485)
Income tax benefit/(expense)	5(a)	173,189	1,781,633
LOSS FROM CONTINUING OPERATIONS AFTER INCOME TAX		(1,528,384)	(96,852)
NET LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(1,528,384)	(96,852)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,528,384)	(96,852)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(1,528,384)	(96,852)
LOSS PER SHARE	14	(0.91)	(0.06)

This consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2015

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

Australian Dollars (\$)	Note	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	15(a)	611,678	892,433
Trade and other receivables	8(a)	14,610	20,747
Other assets	8(b)	20,155	13,387
<b>TOTAL CURRENT ASSETS</b>		<b>646,443</b>	<b>926,567</b>
<b>NON CURRENT ASSETS</b>			
Other financial asset - deposits		46,000	46,028
Property, plant and equipment	9	434,417	467,990
<b>TOTAL NON CURRENT ASSETS</b>		<b>480,417</b>	<b>514,018</b>
<b>TOTAL ASSETS</b>		<b>1,126,860</b>	<b>1,440,585</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	186,470	77,977
Provisions	11	51,028	63,551
<b>TOTAL CURRENT LIABILITIES</b>		<b>237,498</b>	<b>141,528</b>
<b>TOTAL LIABILITIES</b>		<b>237,498</b>	<b>141,528</b>
<b>NET ASSETS</b>		<b>889,362</b>	<b>1,299,057</b>
<b>EQUITY</b>			
Issued capital	12(a)	22,405,146	21,433,104
Reserves	12(c)	550,048	527,392
Accumulated losses	13	(22,065,832)	(20,661,439)
<b>TOTAL EQUITY</b>		<b>889,362</b>	<b>1,299,057</b>

This consolidated statement of financial position should be read in conjunction with the accompanying notes

# FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2015

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

Australian Dollars (\$)	SHARE CAPITAL \$	ACCUMULATED LOSSES \$	RESERVES \$	TOTAL EQUITY \$
BALANCE AT 1 JULY 2014	21,433,104	(20,661,439)	527,392	1,299,057
Profit (loss) for the year	-	(1,528,384)	-	(1,528,384)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(1,528,384)	-	(1,528,384)
Shares and options issued during the year	1,173,625	-	-	1,173,625
Share based payments – options	-	-	105,018	105,018
Share based payments – performance rights	-	-	41,629	41,629
Expiry of options	-	123,991	(123,991)	-
Shares issue expenses	(201,583)	-	-	(201,583)
<b>BALANCE AT 30 JUNE 2015</b>	<b>22,405,146</b>	<b>(22,065,832)</b>	<b>550,048</b>	<b>889,362</b>

BALANCE AT 1 JULY 2013	21,413,103	(20,564,587)	123,991	972,507
Profit (loss) for the year	-	(96,852)	-	(96,852)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(96,852)	-	(96,852)
Shares and options issued during the year	20,001	-	420,461	440,462
Share based payments – options	-	-	61,796	61,796
Share based payments – performance rights	-	-	37,409	37,409
Options issue expenses	-	-	(116,265)	(116,265)
<b>BALANCE AT 30 JUNE 2014</b>	<b>21,433,104</b>	<b>(20,661,439)</b>	<b>527,392</b>	<b>1,299,057</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes



# FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2015

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

Australian Dollars (\$)	Note	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Expenditure on mining interests		(1,058,513)	(1,261,106)
Payments to suppliers and employees		(593,425)	(806,398)
Interest received		13,983	45,821
Other - GST		4,437	42,102
Government Subsidy		65,241	-
Income tax refunded/(paid)		173,189	1,781,633
<b>Net cash (outflows) from operating activities</b>	15(b)	<b>(1,395,088)</b>	<b>(197,948)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(17,209)	(23,813)
Proceeds from the sale of plant and equipment		19,864	-
Payments/proceeds for performance bonds		-	(11,028)
<b>Net cash inflows/(outflows) from investing activities</b>		<b>2,655</b>	<b>(34,841)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of shares and options net of capital raising costs		1,111,678	365,994
<b>Net cash inflows from financing activities</b>		<b>1,111,678</b>	<b>365,994</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(280,755)</b>	<b>133,205</b>
Cash and cash equivalents at the beginning of the financial year		892,433	759,228
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	15(a)	<b>611,678</b>	<b>892,433</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes



The hole design was aided by advanced exploration techniques, including geochemistry and advanced geophysics featuring breakthroughs in lead-zinc detection.



# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 1 CORPORATE INFORMATION

The consolidated financial report of Argent Minerals Limited (Argent or the Company) and its consolidated entities (the consolidated entity or group) for the year 1 July 2014 to 30 June 2015 was authorised for issue in accordance with a circular resolution of the directors on 3 September 2015.

Argent Minerals Limited is a Company limited by shares, incorporated in Australia. The Company's shares are publicly traded on the Australian Securities Exchange (ASX).

The nature of the operations and principal activity of the consolidated entity is mineral exploration.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Preparation of the Financial Report**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the financial assets and financial liabilities.

The financial report is presented in Australian dollars.

### **Adoption of new and revised standards**

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

### **Statement of compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

### **Going Concern**

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has recorded a net accounting loss after tax of \$1,528,384 and net operating cash outflows of \$1,395,088 for the year ended 30 June 2015.

The Directors have determined that future equity raisings or debt financing arrangements will be required to assist funding of the Group activities to meet the Group objectives. The directors are investigating a number of options in respect of equity, and debt financing arrangements may also be considered. There is no certainty that these will be successfully completed to provide adequate working capital for the Group.

The Board however is confident, subject to the successful completion of the future equity raisings or debt financing arrangements, that the Group will have sufficient funds to finance its operations in the 2015/2016 Financial Year.

Since the financial year end the Company has raised \$400,000 through the June 2015 Share Purchase Plan.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Argent Minerals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 21.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

## Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

## Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 Exploration for and Evaluation of Mineral Resources.

For each area of interest, exploration and evaluation expenditure is written off in the period in which the expenditure is incurred. Expenditure incurred in the acquisition of tenements and rights to explore may be capitalised and recognised as an exploration and evaluation asset. Exploration and evaluation assets are initially measured at cost at recognition. Exploration and evaluation expenditure incurred by the Company subsequent to acquisition of the rights to explore is expensed as incurred.

Capitalised acquisition costs are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset to which it has been allocated, being no larger than the relevant area of interest is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development costs.

## Development

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units-of-production basis. Changes in factors such as estimates of proved and probable reserves that affect unit-of production calculations are dealt with on a prospective basis.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

### *Interest*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

## Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprises of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

## Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the consolidated entity to employee superannuation funds and are charged as expenses when incurred.

## Impairment of assets

The consolidated entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the consolidated entity makes an estimate of the asset's recoverable amount. As asset's recoverable amount is the higher of its fair value; less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

## Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the parent company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

## Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash Flows are included in the statement of cash flows on a net basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the statement of profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is transferred into the profit or loss.

## Financial assets

Financial assets and financial liabilities are recognised in the statement of financial position when the Entity becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the Entity. A financial liability is removed from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and financial liabilities classified as held for trading are measured at fair value through profit or loss. Upon initial recognition a financial asset or financial liability is designated as at fair value through profit or loss when:

- (a) an entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through profit or loss; and
- (b) doing so results in more relevant information, because either:
  - i. it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains or losses on them on different bases; or
  - ii. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to key management personnel.



# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value through profit or loss.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.

## **Financial assets not measured at fair value comprise:**

- (a) loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest rate method;
- (b) held-to-maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest rate method; and
- (c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost together with derivatives that are linked to and must be settled by the delivery of such investments.

Available-for-sale financial assets are non-derivative financial assets, which are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments or financial assets as at fair value through profit or loss.

A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in equity, through the statement of changes in equity (except for impairment losses and foreign exchange gains or losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss.

Regular way purchases of financial assets are accounted for as follows:

- financial assets held for trading – at trade date
- held-to-maturity investments – at trade date
- loans and receivables – at trade date
- available-for-sale financial assets – at trade date

Except for the following all financial liabilities are measured at amortised cost using the effective interest rate method:

- (a) financial liabilities at fair value through profit or loss and derivatives that are liabilities measured at fair value; and
- (b) financial liabilities that arise when a transfer of financial asset does not qualify for derecognition or are accounted for using the continuing involvement approach.

The amortised cost of a financial asset or a financial liability is the amount initially recognised minus principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and minus any write-down for impairment or uncollectability.

## **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis (straight line basis for buildings) over the estimated useful life of the assets as follows:

- Plant and equipment – 3-7 years
- Buildings – 12 years

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Land is not depreciated.

## Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

### *Deferred taxation*

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 5).

## Comparative information

Comparative information has been amended where necessary to ensure compliance with current year disclosures.

3 REVENUE	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>Other revenue</b>		
Interest income	12,256	45,478
Reimbursement income	-	2,561
Government subsidy	65,241	-
Surplus from the sale of asset	7,696	-
	<u>85,193</u>	<u>48,039</u>

## 4 EXPENSES

Administration expenses include the following expenses:

	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>Employee benefit expense</b>		
Wages and salaries	193,718	444,230
Accrued annual leave	4,952	36,253
Eligible termination payment	20,000	-
Defined contribution superannuation expense	19,492	39,854
Employee share based payments	41,629	37,409
	<u>279,791</u>	<u>557,746</u>

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 5 INCOME TAX

### (a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	30 JUNE 2015 \$	30 JUNE 2014 \$
Loss before income tax	(1,701,573)	(1,878,485)
Income tax calculated at 30%	<u>(510,472)</u>	<u>(563,545)</u>
Tax effect of:		
– Expenses not allowed	339	483
– Sundry – temporary differences	17,236	15,955
– Section 40-880 deduction	(47,765)	(38,915)
– Research and Development rebate (i)	173,189	1,781,633
Future income tax benefit not brought to account	<u>540,662</u>	<u>586,022</u>
<b>Income tax benefit attributable to operating losses</b>	<b><u>173,189</u></b>	<b><u>1,781,633</u></b>

(i) The Research and Development rebate of \$173,189 is in relation to the year ended 30 June 2014 (2014: \$1,781,633 is in relation to the years ended 30 June 2011, 2012 and 2013).

### (b) Deferred tax assets

The potential deferred tax assets arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	30 JUNE 2015 \$	30 JUNE 2014 \$
Australian tax losses	6,118,876	5,578,214
Provisions net of prepayments	(14,886)	(49,101)
Section 40-880 deduction	<u>101,489</u>	<u>88,779</u>
<b>Unrecognised deferred tax assets</b>	<b><u>6,205,479</u></b>	<b><u>5,617,892</u></b>

The benefits will only be obtained if:

- (i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The Company continues to comply with the conditions in deductibility imposed by the Law; and
- (iii) No change in tax legislation adversely affected the Company in realising the benefits from the deductions or the losses.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 6 AUDITOR'S REMUNERATION

Amounts received or due and receivable by the Company's Auditors;

	30 JUNE 2015 \$	30 JUNE 2014 \$
Audit and review of the Company's financial statements	21,114	20,000
	<u><b>21,114</b></u>	<u><b>20,000</b></u>

## 7 KEY MANAGEMENT PERSONNEL

### (a) Details of key management personnel

#### DIRECTORS AND EXECUTIVES

Steve Gemell – Non-Executive Chairman

David Busch - Managing Director

Marcus Michael – Non-Executive Director retired on 11 June 2015

Sarah Shipway – Non-Executive Director appointed on 11 June 2015

### (b) Compensation of key management personnel

	30 JUNE 2015 \$	30 JUNE 2014 \$
Salary, fees and leave	353,036	356,849
Non monetary	7,795	7,770
Post employment benefits – superannuation	33,250	31,604
Equity share-based payments	41,629	37,409
Eligible termination payment	20,000	-
	<u><b>455,710</b></u>	<u><b>433,632</b></u>

### (c) Other transactions and balances with Key Management Personnel

Accounting, bookkeeping, corporate secretarial and administration service fees of \$102,750 (2014: \$94,815) were paid or payable, for services rendered to Argent Minerals on ordinary commercial terms during the year by Marshall Michael Pty Ltd Chartered Accountants, a company of which Mr Michael was director and in which he had a beneficial interest and where Ms Shipway is an employee.

Engineering consulting fees of \$1,260 (2014: \$10,148) were paid or payable on ordinary commercial terms during the year to Gemell Mining Engineers, a company in which Mr Gemell has a beneficial interest.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 8 RECEIVABLES AND OTHER ASSETS

### (a) Trade and Other Receivables

	30 JUNE 2015 \$	30 JUNE 2014 \$
Current	14,610	20,747
	<b><u>14,610</u></b>	<b><u>20,747</u></b>

Other receivables include amounts outstanding for goods and services tax (GST) of \$14,266 (2014: \$18,703), interest receivable of \$344 (2014: \$2,044). GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities.

### (b) Other Assets

	30 JUNE 2015 \$	30 JUNE 2014 \$
Prepayments	19,710	12,697
Formation costs	245	490
Bonds	200	200
	<b><u>20,155</u></b>	<b><u>13,387</u></b>



# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 9 PROPERTY, PLANT AND EQUIPMENT

	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>Land and Buildings</b>		
At cost	500,278	500,278
Less: accumulated depreciation	(96,252)	(72,189)
<b>Total land and buildings</b>	<b><u>404,026</u></b>	<b><u>428,089</u></b>
<b>Plant and Equipment</b>		
At cost	71,663	85,564
Less: accumulated depreciation	(41,272)	(45,663)
<b>Total plant and equipment</b>	<b><u>30,391</u></b>	<b><u>39,901</u></b>
<b>Total property, plant and equipment</b>	<b><u>434,417</u></b>	<b><u>467,990</u></b>
<b>CARRYING AMOUNT:</b>		
<b>Land and Buildings</b>		
Carrying amount at the beginning of the year	428,089	472,152
Additions	-	-
Impairment	-	(20,000)
Depreciation expense	(24,063)	(24,063)
<b>Total carrying amount at year end</b>	<b><u>404,026</u></b>	<b><u>428,089</u></b>
<b>Plant and equipment</b>		
Carrying amount at the beginning of the year	39,901	29,123
Additions	17,209	23,813
Disposals	(12,167)	-
Depreciation expense	(14,552)	(13,035)
<b>Total carrying amount at end of the year</b>	<b><u>30,391</u></b>	<b><u>39,901</u></b>
<b>Total property, plant and equipment</b>	<b><u>434,417</u></b>	<b><u>467,990</u></b>

## 10 TRADE AND OTHER PAYABLES

	30 JUNE 2015 \$	30 JUNE 2014 \$
Trade and other payables	186,470	77,977
	<b><u>186,470</u></b>	<b><u>77,977</u></b>

Trade and other payables amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are yet to be paid. The amounts are unsecured and are usually paid within 30 days of recognition.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 11 PROVISIONS

	30 JUNE 2015 \$	30 JUNE 2014 \$
At the beginning of the year	63,551	27,297
Additional provisions for annual leave	47,576	54,620
Amounts used	(60,099)	(18,366)
	<b>51,028</b>	<b>63,551</b>

## 12 ISSUED CAPITAL

### (a) Issued and paid up capital

	30 JUNE 2015 \$	30 JUNE 2014 \$
At the beginning of the year	21,433,104	21,413,103
Shares issued during the year (i)(ii)	1,173,624	20,000
Shares issued pursuant to exercise of options	1	1
Transaction costs arising from issue of shares	(201,583)	-
<b>At reporting date 201,450,066 (30 June 2014: 153,559,068) fully paid ordinary shares</b>	<b>22,405,146</b>	<b>21,433,104</b>

### (b) Movement in Ordinary Shares

	30 JUNE 2015 Number	30 JUNE 2014 Number
At the beginning of the year	153,559,068	152,657,160
Shares issued during the year (i), (ii)	47,890,994	901,904
Shares issued pursuant to exercise of options	4	4
<b>At the end of the year</b>	<b>201,450,066</b>	<b>153,559,068</b>

(i) On 11 December 2014 the Company issued 24,004,630 fully paid ordinary shares at \$0.027 per share in Argent Minerals, together with two (2) free attaching options, exercisable at \$0.175 on or before 31 March 2016, for every one (1) Share subscribed for, to raise \$648,125.

(ii) On 17 June 2015 the Company issue 23,886,364 fully paid ordinary shares at \$0.022 per share in Argent Minerals, together with one (1) free attaching option, exercisable at \$0.175 on or before 31 March 2016, for every one (1) Share subscribed for, to raise \$525,500. The free attaching options were issued on 10 August 2015.

### (c) Reserves

	30 JUNE 2015 \$	30 JUNE 2014 \$
At the beginning of the year	527,392	123,991
Options lapsed during the reporting period	(123,991)	-
Options issued during the year	-	420,461
Share based payments – options	105,018	61,796
Share based payments – performance rights	41,629	37,409
Options issue expenses	-	(116,265)
<b>At the end of the year</b>	<b>550,048</b>	<b>527,392</b>

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Listed options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise period	Note	Exercise Price	Opening Balance 1 July 2014 Number	Options Issued/ (Expired)/Exercised Number (v), (vi), (vii)	Closing Balance 30 June 2015 Number
On or before 31 March 2016	-	\$0.175	53,002,823	55,010,414	108,013,237

Exercise period	Note	Exercise Price	Opening Balance 1 July 2013 Number (iii)	Options Issued/ (Expired)/Exercised Number (i), (ii)	Closing Balance 30 June 2014 Number
On or before 31 March 2016	-	\$0.175	10,956,667	42,046,156	53,002,823

Unlisted options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise period	Note	Exercise Price	Opening Balance 1 July 2014 Number	Options Issued/ (Expired)/Exercised Number	Closing Balance 30 June 2015 Number
On or before 29 August 2016	(iv)	\$0.250	6,574,000	-	6,574,000

Exercise period	Note	Exercise Price	Opening Balance 1 July 2013 Number	Options Issued/ (Expired)/Exercised Number	Closing Balance 30 June 2014 Number
On or before 29 August 2016	(iv)	\$0.250	-	6,574,000	6,574,000

- (i) On 24 October 2013 the Company issued an Entitlement Issue Prospectus. The offer made was as a non-renounceable entitlement issue of 1 option for every 2 shares held by those shareholders registered at the Record Date at an issue price of \$0.01 per option. Under the offer 42,046,160 options were issued.
- (ii) On 17 January 2014, 4 listed options were exercised.
- (iii) On 17 May 2013 10,956,667 listed options were issued to sophisticated investors.
- (iv) On 29 August 2013 the Company issued 6,574,000 as part consideration for management services in respect to the May 2013 capital raising.
- (v) On 27 February 2015 the Company issued 48,009,260 listed options to sophisticated investors in relation to the December 2014 placement to sophisticated investors.
- (vi) On 27 February 2015 the Company issued 7,001,158 listed options as part consideration for management services in respect to the December 2014 capital raising.
- (vii) On 10 April 2015 4 listed options were exercised.



# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 13 ACCUMULATED LOSSES

	30 JUNE 2015 \$	30 JUNE 2014 \$
Accumulated losses at beginning of year	(20,661,439)	(20,564,587)
Expiry of options	123,991	-
Loss for the year	(1,528,384)	(96,852)
	<u>(22,065,832)</u>	<u>(20,661,439)</u>

## 14 LOSS PER SHARE

	30 JUNE 2015 \$	30 JUNE 2014 \$
Basic loss per share after income tax attributable to members of the Company (cents per share)	(0.91)	(0.06)
<b>Basic loss per share (cents per share)</b>	<u>(0.91)</u>	<u>(0.06)</u>

	2015 Number	2014 Number
Weighted average number of shares on issue during the financial year used in the calculation of Basic earnings per share	167,760,012	152,701,639
<b>Weighted average number of ordinary shares for basic earnings per share</b>	<u>167,760,012</u>	<u>152,701,639</u>

This calculation does not include shares under option that could potentially dilute basic earnings per share in the future as the options on issue are out of the money and the Group has incurred a loss for the year.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 15 NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	30 JUNE 2015 \$	30 JUNE 2014 \$
Current - Cash at bank	611,678	892,433
	<b>611,678</b>	<b>892,433</b>

### (b) Reconciliation of loss after tax to net cash flows from operations

	30 JUNE 2015 \$	30 JUNE 2014 \$
Loss after income-tax from continuing activities	(1,528,384)	(96,852)
Depreciation and impairment	38,615	57,098
Formation costs write off	245	246
Share based payments	41,629	57,409
(Increase) /decrease in assets		
- Trade and other receivables	6,165	42,445
- Prepayments	(7,013)	13,661
- Surplus on disposal of plant and equipment	(7,696)	-
- Increase / (decrease) in liabilities		
- Trade and other payables and provisions	61,351	(271,955)
<b>Net cash cut flows from operating activities</b>	<b>(1,395,088)</b>	<b>(197,948)</b>

### (c) Non cash financing and investing activities

- (i) On 27 February 2015 the Company issued 7,001,158 options exercisable at \$0.175 on or before 31 March 2016 as part consideration for management services in respect to the December 2014 capital raising. Based on the assumptions below the listed options were ascribed the following value:

Class of Options	Number of Options	Valuation Date	Market Price of Options	Exercise Price	Expiry Date
Listed Options	7,001,158	05.02.2015	\$0.015	\$0.175	31 March 2016

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 16 COMMITMENTS AND CONTINGENCIES

### (a) Commitments

#### MINERAL EXPLORATION COMMITMENT

In order to maintain the current rights of tenure to exploration tenements, the Group has the following discretionary exploration expenditure requirements. If the Group decides to relinquish certain joint-venture or annual exploration expenditure obligations, the joint-venture will terminate and the Group will have no further expenditure obligations.

	30 JUNE 2015 \$	30 JUNE 2014 \$
Not later than one year	482,288	40,000
Later than one year but not later than two years	-	550,000
Later than two years but not later than five years	-	-
	<u>482,288</u>	<u>590,000</u>

### (b) Contingent liabilities

The Company has no contingent liabilities.



# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 17 EVENTS SUBSEQUENT TO BALANCE DATE

On 10 August 2015 the Company issued 23,886,364 options, exercisable at \$0.175 on or before 31 March 2016, as part of the June 2015 placement to sophisticated investors. The options were issued for nil consideration.

On 11 August 2015 the Company issued 18,181,786 shares, at an issue price of \$0.022 and 17,499,968 free attaching options, exercisable at \$0.175 on or before 31 March 2016, under the Share Purchase Plan, to raise \$400,000 before costs.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of the affairs of the consolidated entity in future financial years.

## 18 FINANCIAL INSTRUMENTS

### (a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2015	Note	Floating interest rate \$	Fixed interest rate \$	Non interest bearing \$	Total \$	Weighted average interest rate %
<b>Financial assets</b>						
Cash and cash equivalents	15(a)	604,652	-	7,026	611,678	1.69%
Security Deposits		11,000	-	35,000	46,000	0.13%
Trade and other receivables	8(a)	-	-	14,610	14,610	-
		<b>615,652</b>	<b>-</b>	<b>56,636</b>	<b>672,288</b>	<b>-</b>
<b>Financial liabilities</b>						
Trade and other payables	10	-	-	186,470	186,470	-
		<b>-</b>	<b>-</b>	<b>186,470</b>	<b>186,470</b>	<b>-</b>

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

2014	Note	Floating interest rate \$	Fixed interest rate \$	Non interest bearing \$	Total \$	Weighted average interest rate %
<b>Financial assets</b>						
Cash and cash equivalents	15(a)	883,855	-	8,578	892,433	3.26%
Security Deposits		11,028	-	35,000	46,028	1.46%
Trade and other receivables	8(a)	-	-	20,747	20,747	-
		<b>894,883</b>	<b>-</b>	<b>64,325</b>	<b>959,208</b>	<b>-</b>
<b>Financial liabilities</b>						
Trade and other payables	10	-	-	77,977	77,977	-
		<b>-</b>	<b>-</b>	<b>77,977</b>	<b>77,977</b>	<b>-</b>

Based on the cash and cash equivalents balances at 30 June 2015 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$6,157 (2014: \$8,948).

## (b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the consolidated statement of financial position and notes to the financial report.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

## (c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

## (d) Financial risk management

The consolidated entity's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the consolidated entity is exposed to through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The consolidated entity's credit risk is minimal as being an exploration Company it has no significant financial assets other than cash and term deposits.

## (e) Foreign Currency Risk

The consolidated entity is not exposed to any foreign currency risk as at 30 June 2015.

## (f) Market Price Risk

The consolidated entity is not exposed to market price risk as it does not have any investments.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 19 RELATED PARTIES

The Group has no related parties other than the 100% owned subsidiary disclosed in Note 21. At 30 June 2015 the balance due from the subsidiary was:

Australian Dollars (\$)	30 JUNE 2015 \$	30 JUNE 2014 \$
Argent (Kempfield) Pty Ltd	4,807,779	3,998,727
	<b>4,807,779</b>	<b>3,998,727</b>

These amounts comprise of funds provided by the parent company for exploration activities. During the year the Company advanced \$809,052 to its subsidiary.

Other related party transactions with entities of key management personnel are disclosed in Note 7.

## 20 SEGMENT REPORTING

For management purposes, the consolidated entity is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the consolidated entity's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment.

The financial results from this segment are equivalent to the financial statements of the consolidated entity as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

## 21 SUBSIDIARIES

The parent entity, Argent Minerals Limited, has a 100% interest in Argent (Kempfield) Pty Ltd. Argent Minerals is required to make all the financial and operating policy decisions for this subsidiary.

Subsidiaries of Argent Minerals Limited	Country of incorporation	Percentage owned %	
		2015	2014
Argent (Kempfield) Pty Ltd	Australia	100%	100%

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 22 PARENT COMPANY DISCLOSURE

### (a) Financial Position as at 30 June 2015

Australian Dollars (\$)	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>Assets</b>		
Current assets	638,396	912,392
Non-current assets	30,476	35,294
<b>Total assets</b>	<b>668,872</b>	<b>947,686</b>
<b>Liabilities</b>		
Current liabilities	208,145	91,304
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>208,145</b>	<b>91,304</b>
<b>Net assets</b>	<b>460,727</b>	<b>856,382</b>
<b>Equity</b>		
Issued capital	22,405,146	21,433,104
Reserves	550,048	527,392
Accumulated losses	(22,494,467)	(21,104,114)
<b>Total equity</b>	<b>460,727</b>	<b>856,382</b>

There are no contingencies, commitments and guarantees by the Parent other than disclosed in Note 16.

### (b) Financial Performance for the year ended 30 June 2015

Australian Dollar (\$)	30 JUNE 2015 \$	30 JUNE 2014 \$
Profit (loss) for the year	(1,514,344)	(227,425)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(1,514,344)</b>	<b>(227,425)</b>

## 23 JOINT VENTURES

The Company has entered into the Farmin and Joint Venture Agreements with Golden Cross Operations Pty Ltd, a wholly owned subsidiary of Golden Cross Resources Limited (ASX:GCR) which relate to the Argent Minerals Properties.

Under the terms of the Farmin and Joint Venture Agreements, the Company has earned a 51% interest in the West Wyalong Project tenements by spending a total of \$1,030,000 by 30 June 2014. Argent will earn 70% interest by investing a further \$482,288 in the project by 9 January 2016.

The Company earned a 70% interest of the Sunny Corner Project tenements on 16 May 2013.

# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

## 24 SHARE BASED PAYMENTS

On 29 August 2013 the Company issued 6,574,000 options as part consideration for management services in respect to the May 2013 capital raising. Using the Black & Scholes option model and based on the assumptions below, the options were ascribed the following value:

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (Discount)	Indicative Value Per Option
Options	6,574,000	24.07.2013	\$0.05	\$0.25	29.08.2016	2.64%	81%	\$0.0094

On 27 February 2015 the Company issued 7,001,158 options as part consideration for management services in respect to the December 2014 capital raising. Based on the assumptions below, the options were ascribed the following value:

Class of Options	Number of Options	Valuation Date	Market Price of Options	Exercise Price	Expiry Date
Listed Options	7,001,158	05.02.2015	\$0.015	\$0.175	31 March 2016

A summary of the movements of all the Company's options issued as share based payments is as follows:

	2015		2014	
	Number of options	Weighted average exercise	Number of options	Weighted average exercise
Outstanding at the beginning of the year	6,574,000	\$0.250	-	-
Granted	7,001,158	\$0.175	6,574,000	\$0.250
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Options outstanding at year end	13,575,158	\$0.211	6,574,000	\$0.250
Exercisable at year end	13,575,158	-	6,574,000	-

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.95 years (2014: 2.17 years), and the weighted average exercise price was \$0.211 (2014: \$0.25).

- (i) The Company agreed and approved at the 24 July 2013 Shareholder meeting to issue a total of 2,500,000 Performance Rights to Mr David Busch. The terms and conditions of the Performance Rights are detailed in the Notice of General Meeting dated 20 June 2013. The Performance Rights were issued for nil consideration.

The converted Performance Rights will rank pari passu in all respects with other shares of Argent.



# NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

The underlying value of an Argent share trading on ASX on 24 July 2013 was \$0.05, this has been used as the underlying value of a Performance Right in Argent. The 2,500,000 undiscounted Performance Rights in Argent issued to Mr David Busch has an underlying value of \$125,000 based on the closing share price on 24 July 2013 of \$0.05.

- (ii) On 17 June 2014 the Company issued 901,904 fully paid ordinary shares at \$0.0222 per share in Argent Minerals as part consideration under the binding option term sheet, to the owners of a key property within the proposed Kempfield Polymetallic Project site.
- (iii) On 27 February 2015 the Company issued 7,001,158 listed options as part consideration for management services in respect to the December 2014 capital raising. These options are exercisable at \$0.175 on or before 31 March 2016. The 7,001,158 options have an underlying value of \$105,017 based on the closing share option price on 5 February 2015 (Grant Date) of \$0.015.

## 25 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

### *Other standards not yet applicable*

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

# DIRECTORS' DECLARATION

In the opinion of the Directors of Argent Minerals Limited (the Company)

- (a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Company are in accordance with the Corporations Act 2001, including:
  - i. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended that date; and
  - ii. Complying with Accounting Standards and Corporations Regulations 2001, and:
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Board



**David Busch**

Managing Director

Dated this 3 September 2015  
Sydney, New South Wales

# AUDITOR'S INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd  
trading as

**Stantons International**

Chartered Accountants and Consultants

PO Box 1908  
West Perth WA 6872  
Australia

Level 2, 1 Walker Avenue  
West Perth WA 6005  
Australia

Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204

ABN: 84 144 581 519  
www.stantons.com.au

3 September 2015

Board of Directors,  
Argent Minerals Limited,  
Level 1,  
115 Cambridge Street,  
WEST LEEDERVILLE, WA 6007.

Dear Directors

**RE: ARGENT MINERALS LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Argent Minerals Limited.

As Audit Director for the audit of the financial statements of Argent Minerals Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Samir Tirodkar**  
Director

# INDEPENDENT AUDITOR'S REPORT

Stantons International Audit and Consulting Pty Ltd  
trading as

**Stantons International**  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARGENT MINERALS LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of Argent Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

# INDEPENDENT AUDITOR'S REPORT

## Stantons International

### *Opinion*

In our opinion:

- (a) the consolidated financial report of Argent Minerals Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2.

### *Inherent Uncertainty Regarding Going Concern*

Without qualification to the opinion expressed above, attention is drawn to the following matter:

As referred to in Note 2 to the financial statements, the financial statements have been prepared on the going concern basis. The consolidated entity comprising the Company and its subsidiaries has incurred a loss before tax of \$1,701,573 for the year ended 30 June 2015 and had net operating cash outflows of \$1,395,088 for the year ended 30 June 2015. The working capital as at 30 June 2015 is \$408,945. The ability of the consolidated entity to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the consolidated entity raising further working capital and/or successfully exploiting its mineral assets. In the event that the consolidated entity is not successful in raising further equity or successfully exploiting its mineral assets, the consolidated entity may not be able to meet its liabilities as and when they fall due and the realisable value of the consolidated entity's non-current assets may be significantly less than book values.

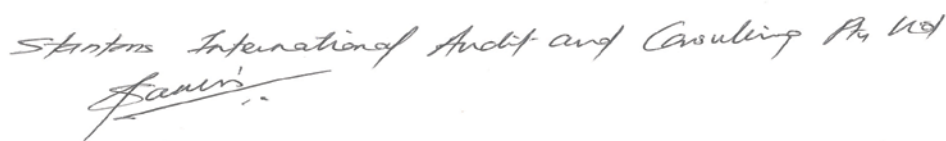
### **Report on the Remuneration Report**

We have audited the remuneration report included in pages 29 to 34 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

### *Opinion*

In our opinion the remuneration report of Argent Minerals Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Samir Tirodkar**  
Director

West Perth, Western Australia  
3 September 2015



The identified exploration potential for this highly prospective area features high grade zinc, lead, copper and gold associated with a high temperature VMS feeder zone.



# SHAREHOLDER INFORMATION

## 1 DISTRIBUTION OF HOLDERS AT 3 SEPTEMBER 2015

As at 3 September 2015 the distribution of shareholders was as follows:

### Ordinary shares

Size of holding	Number of holders
1-1,000	41
1,001 – 5,000	247
5,001 – 10,000	224
10,001 – 100,000	662
100,001 and over	261
<b>Total</b>	<b>1,435</b>

## 2 VOTING RIGHTS

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

## 3 SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the Corporation Act 2011 are:

Shareholder	Ordinary shares held	Percentage interest %
Pannin PL <Selok Family A/C>	11,552,718	8.15



# SHAREHOLDER INFORMATION

## 4 TOP 20 SHAREHOLDERS

The names of the 20 largest shareholders as at 3 September 2015 who hold 42.36% of the fully paid ordinary shares of the Company were as follows:

Shareholder	Number
Oceanic Capital Pty Ltd	17,883,279
HSBC Custody Nom Aust Ltd	17,200,000
Hernstadt William Henry	6,710,610
Riverfront Nom PI <MCM Fam A/C>	4,510,290
AWD Cons PL	4,124,545
AWD Cons PL <Stevens S/F A/C>	3,554,545
Funding Sec PL <Colin J Ferguson S>	3,500,000
DGR Global Ltd	3,500,000
Caves Road Inv PL	3,300,000
Dixtru PL	3,272,727
Arinya Inv PL	3,125,000
St Barnabas Inv PL <Melvista Fam A/C>	2,875,000
Funding Sec PL <A M Ferguson S/F A>	2,771,610
Busch Custs PL <Busch S/F A/C>	2,681,818
Yarandi Inv PL <Griffith Fam No 2>	2,653,252
St Barnabas Inv PL <St Barnabas S/F A/C>	2,513,765
McCarthy Brett	2,431,144
Redland Plains PL <Brian Bernard Roda>	2,333,334
Hall David Ian R + D A	2,081,818
Harding Marc David	2,041,457

# SHAREHOLDER INFORMATION

## 5 TOP 20 OPTIONHOLDERS

The names of the 20 largest optionholders as at 3 September 2015 who hold 55.77% of the listed options of the Company were as follows:

Optionholder	Number
Oceanic Capital PL	24,515,825
Dixtru PL	4,772,727
Zenix Nom PL	4,744,908
Hall David Ian R + D A	4,481,818
AWD Cons PL <Stevens S/F A/C>	4,254,545
Paticoa Nom PL	4,000,000
Hernstadt William Henry	4,000,000
Redland Plains PL <Brain Bernard Roda>	3,833,334
Caves Road Inv PL	2,950,000
Muffet Sean	2,705,635
Emby David Ronald + A S <Emby S/F A/C>	2,700,000
Merrett Owen Barry + J R <Merrett S/F A/C>	2,681,818
Kyriazis Sophie	2,650,000
Zeus Private Equity PL	2,495,455
Riverfront Nom PL	2,225,145
Hayden Peter	2,200,000
Murphy Danny + Susan <Danny Murphy S/F A>	2,054,545
Arbor Super PL <Arbor Centre S/F A>	2,004,545
Battershill J L + J <JJB Super A/C>	2,000,000
Clariden Cap Ltd	2,000,000

# SCHEDULE OF MINERAL TENEMENTS

## ARGENT MINERALS LIMITED MINERAL INTERESTS AT 3 SEPTEMBER 2015

### New South Wales - Australia

Tenement Identifier	Location	Current Equity Interest
<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. On 17 July 2014 Argent Minerals Limited announced that it had earned in the JVA.
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.



The company is also planning to test the extensive strike potential of up to 4km to the north of the known Kempfield deposit, featuring geophysical anomalies that indicate possibilities for further mineralisation in that direction.





The results of this first hole are a favourable indication in relation to the Argent deposit model, and accordingly, the prospectivity of a potentially significant polymetallic VMS system at Kempfield featuring high grade base and precious metals in addition to the existing substantial silver deposit.

# MINERAL RESOURCES AND ORE RESERVES STATEMENT

## KEMPFIELD (NSW, AUSTRALIA - 100% ARGENT)

On 6 May 2014 Argent Minerals announced an upgrade of the Kempfield Mineral Resource statement to JORC 2012 standard. Table 1 is a summary of the Kempfield Mineral Resource estimate as at 30 June 2015 and Table 2 provides details of metal grade zonation as announced initially on 16 October 2014. Table 3 shows the Resource tonnes and grades by Measured, Indicated and Inferred categories, whilst Table 4 provides details of tonnes and contained metal in the Measured and Indicated categories as at 30 June 2015.

At cut-off grades of 25 g/t Ag for Oxide/Transitional and 50 g/t Ag equivalent<sup>1</sup> for Primary:

**Table 1 - Kempfield Mineral Resource summary - 30 June 2015**

	Silver (Ag)		Gold (Au)		Lead (Pb)		Zinc (Zn)		In-situ Contained Ag Equivalent <sup>2</sup>		
	Resource Tonnes (Mt)	Grade (g/t)	Contained Metal (Moz)	Grade (g/t)	Contained Metal (000 oz)	Grade (%)	Contained Metal (000 t)	Grade (%)	Contained Metal (000 t)	Grade (Ag Eq g/t)	Contained Ag Eq (Moz)
Oxide/Transitional*	6.0	55	10.7	0.11	21	N/A	N/A	N/A	N/A	-	11.7
Primary**	15.8	44	22.3	0.13	66	0.62	97	1.3	200	-	40.5
<b>Total***</b>	<b>21.8</b>	<b>47</b>	<b>33.0 M</b>	<b>0.12</b>	<b>86</b>	<b>N/A</b>	<b>97</b>	<b>N/A</b>	<b>200</b>	<b>75</b>	<b>52 M</b>

\* 90% \*\* 79% \*\*\* 82% : % of resource tonnes in Measured or Indicated Category. See Table 4 for details.

## RESOURCE DETAILS

**Table 2 - Kempfield Mineral Resource - Primary material tonnes and grades by mineralisation zone**

Lens	Zone	Resource Tonnes (Mt)	Grade (g/t)			Grade (%)	
			Silver (Ag)	Gold (Au)	Zinc (Zn)	Lead (Pb)	cbm* (Pb+Zn)
1	BJ Zone	6.3	53	0.05	1.1	0.34	1.4
	Southern Conglomerate Zone	0.48	43	0.20	0.25	0.28	0.53
	Lens 1 Total	6.8	52	0.06	1.0	0.33	1.4
2	Quarries Zone	1.7	46	0.05	1.4	0.73	2.1
	McCarron Zone	5.8	38	0.18	1.3	0.90	2.2
	Lens 2 Total	7.5	40	0.15	1.4	0.86	2.2
3	West McCarron	1.5	26	0.34	1.9	0.70	2.6
	Lens 3 Total	1.5	26	0.34	1.9	0.70	2.6
Grand Total	Lens 1 + Lens 2 + Lens 3	15.8	44	0.13	1.3	0.62	1.9

\* Combined base metals

# MINERAL RESOURCES AND ORE RESERVES STATEMENT

Table 3 - Kempfield Mineral Resource by category

Category	Resource Tonnes (Mt)	Grade (g/t)		Grade (%)		In-situ Grade (Contained Ag Eq g/t)
		Silver (Ag)	Gold (Au)	Lead (Pb)	Zinc (Zn)	Silver Equivalent (Ag Eq)
<b>Oxide/Transitional</b>						
Measured	2.7	68	0.11	-	-	73
Indicated	2.7	47	0.11	-	-	52
Inferred	0.6	39	0.08	-	-	43
<b>Total Oxide/Transitional</b>	<b>6.0</b>	<b>55</b>	<b>0.11</b>	<b>-</b>	<b>-</b>	<b>60</b>
<b>Primary</b>						
Measured	4.1	57	0.12	0.66%	1.2%	93
Indicated	8.4	41	0.13	0.58%	1.2%	76
Inferred	3.2	35	0.13	0.66%	1.4%	74
<b>Total Primary</b>	<b>15.8</b>	<b>44</b>	<b>0.13</b>	<b>0.62%</b>	<b>1.3%</b>	<b>80</b>
<b>Total Resource</b>	<b>21.8</b>	<b>47</b>	<b>0.12</b>	<b>N/A</b>	<b>N/A</b>	<b>75</b>

Table 4 - Kempfield Mineral Resource tonnes and contained metal in Measured and Indicated categories

	Resource Tonnes (Mt)	Contained Metal				
		Moz Silver (Ag)	'000 oz Gold (Au)	'000 t Lead (Pb)	'000 t Zinc (Zn)	In-situ Moz Silver Equivalent (Ag Eq)
<b>Oxide/Transitional</b>						
Measured	2.7	5.8	9.3	-	-	6.3
Indicated	2.7	4.1	9.9	-	-	4.6
<b>Measured + Indicated</b>	<b>5.4</b>	<b>10</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>11</b>
<b>As % of Total Oxide/Transitional</b>	<b>90%</b>	<b>93%</b>	<b>93%</b>	<b>-</b>	<b>-</b>	<b>93%</b>
<b>Primary</b>						
Measured	4.1	7.5	16	27	51	12
Indicated	8.4	11	36	49	103	21
<b>Measured + Indicated</b>	<b>13</b>	<b>19</b>	<b>51</b>	<b>76</b>	<b>154</b>	<b>33</b>
<b>As % of Total Primary</b>	<b>79%</b>	<b>83%</b>	<b>79%</b>	<b>78%</b>	<b>77%</b>	<b>81%</b>
<b>Oxide/Transitional + Primary</b>						
Measured	6.8	13	25	27	51	19
Indicated	11	15	46	49	103	25
<b>Total Measured + Indicated</b>	<b>18</b>	<b>28</b>	<b>71</b>	<b>76</b>	<b>154</b>	<b>44</b>
<b>As % of Total Resource</b>	<b>82%</b>	<b>86%</b>	<b>82%</b>	<b>78%</b>	<b>77%</b>	<b>84%</b>



# MINERAL RESOURCES AND ORE RESERVES STATEMENT

## Note 1 - 50 g/t Silver Equivalent Cutoff Grade

This Resource is only reported in Resource tonnes and contained metal (ounces of silver and gold, and tonnes for lead and zinc). The Resource estimation for the Primary material was based on a silver equivalent cut-off grade of 50 g/t.

A silver equivalent was not employed for the oxide/transitional material estimation and was based on a 25 g/t silver only cut-off grade.

The contained metal equivalence formula is based on the following assumptions made by Argent Minerals:

Silver price:	\$US 30/oz (\$US 0.9645/g)
Gold price:	\$US 1,500/oz
Lead & zinc price:	\$US 2,200/tonne
Silver and gold recoverable and payable:	80% of head grade
Lead & zinc recoverable & payable:	55% of head grade

Based on metallurgical testing to date, Argent Minerals is of the opinion that recoverable and payable silver and gold of 80% is achievable, and recoverable and payable lead and zinc at 55% of the head grade. Argent Minerals is also of the opinion that this is consistent with current industry practice. These metallurgical recoveries were included in the calculation of silver equivalent cut-off grades used for reporting of mineral resources. Please note that Ag Eq is reported as in-situ contained ounces and grade i.e. not recoverable & payable ounces and grade, and in accordance with the JORC Code 2012 for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

## Note 2 - Contained Silver Equivalent ('Ag Eq') Calculation Details

- (i) A revenue figure was calculated for each metal by category and material class (r) as follows:  
 $r = \text{tonnes} * \text{head grade} * \text{recoverable and payable \%}$   
Eg. For Measured Oxide/Transitional silver:  $r = 2.7\text{Mt} * 68 \text{ g/t} * 80\% / 31.1 \text{ g/oz} * \$\text{US } 30/\text{oz} = \$\text{US } 142\text{M}$ .  
Eg. For Measured Primary Zinc:  $r = 4.1\text{Mt} * 1.2\% * 55\% * \$\text{US } 2,200/\text{t} = \$\text{US } 59.5\text{M}$ .
- (ii) Total revenue R was calculated for each resource category and material class as the sum of all the individual (r) revenues for that category and class.
- (iii) Contained silver metal equivalent ounces was then calculated as follows:  
 $\text{Ag Eq (oz)} = R / \text{Ag recoverable and payable \%} / \text{Ag price} = R / 80\% / \$\text{US } 30$ .
- (iv) Contained silver metal grade was calculated as follows:  
 $\text{Grade (Contained Ag Eq g/t)} = \text{Ag Eq (oz)} * 31.1 / \text{tonnes}$ .

# MINERAL RESOURCES AND ORE RESERVES STATEMENT

## **Note 3 – Rounding and Significant Figures**

Figures in the tables in this Mineral Resources and Ore Reserves Statement may not sum precisely due to rounding; the number of significant figures does not imply an added level of precision.

## **Note 4 - Comparison with Previous Mineral Resource Estimate**

There has been no change in this Mineral Resource estimate in relation to the Mineral Resource estimate stated as at 30 June 2014. Table 2 provides new detail within the unchanged Mineral Resource estimate. Accordingly, no comparison is provided.

## **Note 5 - Annual Review**

The Company has engaged H&S Consultants Pty Ltd (**H&SC**) to complete the annual review of Mineral Resources and Ore Reserves for the Kempfield Polymetallic Project. H&SC is an independent Mineral Resources estimation consulting practice located in Sydney, New South Wales. H&SC maintains best in class industry standard governance arrangements and internal controls with respect to the estimation of Mineral Resources.

## **JORC 2012 MINERAL RESOURCES AND ORE RESERVES STATEMENT - COMPETENT PERSON STATEMENT**

The information in the Mineral Resources and Ore Reserves Statement for the Kempfield deposit is based on information compiled by Mr. Arnold van der Heyden, geologist and a Director of H&S Consultants Pty Ltd (**H&SC**). The information in the Mineral Resources and Ore Reserves Statement is based on, and fairly represents, information and supporting documentation prepared by Mr. Arnold van der Heyden. Mr. Arnold van der Heyden is a Member and Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy. Mr. Arnold van der Heyden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia'. The Mineral Resources and Ore Reserves Statement for the Kempfield deposit as a whole is approved by Mr. Arnold van der Heyden in the form and context in which it appears.

# MINERAL RESOURCES AND ORE RESERVES STATEMENT

## MT. DUDLEY (NSW, AUSTRALIA - 100% ARGENT)

On 1 March 2013 Argent Minerals announced a small maiden Resource for Mt. Dudley, a potential feedstock source located approximately 4 kilometres to the east of the Kempfield deposit. This Mineral Resource was restated in the Company's Annual Report to the shareholders for the year ended 30 June 2014.

The following table sets out the Mt. Dudley Mineral Resource statement as at 30 June 2015. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

At a cut-off grade of 0.5 g/t Au:

**Table 5 - Mt Dudley Mineral Resource Estimate - 30 June 2015**

Category	Resource Tonnes (Mt)	Au (g/t)	Contained Au Metal (oz)
Inferred	0.89	1.0	28,000

### Note 1 - Comparison with Previous Mineral Resource Estimate

There has been no change in this Mineral Resource estimate in relation to the Mineral Resource estimate stated as at 30 June 2014. Accordingly, no comparison is provided.

### Note 2 - Annual Review

The Company has engaged H&S Consultants Pty Ltd (H&SC) to complete the annual review of Mineral Resources and Ore Reserves for the Mt Dudley deposit. H&SC is an independent Mineral Resources estimation consulting practice located in Sydney, New South Wales. H&SC maintains best in class industry standard governance arrangements and internal controls with respect to the estimation of Mineral Resources.

## JORC 2004 MINERAL RESOURCES AND ORE RESERVES STATEMENT - COMPETENT PERSON STATEMENT

The information in the Mineral Resources and Ore Reserves Statement for the Mt Dudley deposit is based on information compiled by Mr. Arnold van der Heyden, geologist and a Director of H&S Consultants Pty Ltd (H&SC). The information in the Mineral Resources and Ore Reserves Statement is based on, and fairly represents, information and supporting documentation prepared by Mr. Arnold van der Heyden. Mr. Arnold van der Heyden is a Member and Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy. Mr. Arnold van der Heyden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia'. The Mineral Resources and Ore Reserves Statement for the Mt Dudley Deposit as a whole is approved by Mr. Arnold van der Heyden in the form and context in which it appears.

# MINERAL RESOURCES AND ORE RESERVES STATEMENT

## SUNNY CORNER (NSW, AUSTRALIA - 70% ARGENT)

### Background

On 12 August 2008 Argent Minerals announced a maiden Resource at Sunny Corner. The Resource was estimated by H&SC and reported using a cut-off grade of 2.5% combined base metals based on data derived from Golden Cross Operations Pty Ltd's (GCO) 2004 drilling campaign. The Company performed a three hole RC drilling campaign in June 2007 for a total of 340 metres (Three RC Holes).

In the 12 August 2008 announcement, the Company reported that "The GCO campaign comprised a total of 49 RC holes for a total of 4,090 metres drilled beneath and adjacent to the historical Sunny Corner mine which is reported to have produced 210,000 tons @ 13.8 ounces of silver per ton for 2.9 million ounces of silver between 1881 and 1893".

In April 2009 Argent Minerals announced its completion of a diamond hole drilling campaign at Sunny Corner and that the assay results had been received. Five HQ size vertical diamond holes were drilled over a 100 metre north-south strike length for a total of 279.75 metres (Metallurgical Holes).

In September 2013, H&S Consultants Pty Ltd (H&SC) was engaged by Argent Minerals to review the potential impact of the Metallurgical Holes on the Sunny Corner resource statement announced in August 2008, for reporting as at 30 June 2013. The review concluded that the data from the Metallurgical Holes were unlikely to have a material impact on the existing Resource estimate.

Dr. Vladimir David compiled the Exploration Results data for analysis by Mr. Simon Tear of H&SC. In 2008 H&SC undertook a Resource estimation on the provided data.

### Sunny Corner Mineral Resource Statement - 30 June 2015

The following table sets out the Sunny Corner Mineral Resource statement as at 30 June 2015. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

At a combined base metals (cbm) cut-off grade of 2.5%:

**Table 6 - Sunny Corner Mineral Resource Estimate - 30 June 2015**

Category	Resource Tonnes (Mt)	Density	cbm (%)	Au (g/t)	Pb (%)	Zn (%)	Cu (%)	Ag (g/t)
Inferred	1.5	2.8	6.21	0.17	2.13	3.70	0.39	24

for contained metal as:

- 55,000 tonnes of zinc;
- 32,000 tonnes of lead;
- 5,800 tonnes of copper; and
- 1.2 million ounces of silver.

### Note 1 - Qualification

- No account has been made for any historical production or mine development; and
- The data from the Three RC holes from within the resource and the Metallurgical Holes, have not been included in any resource estimate. However, H&SC believes that they would have a minor impact on the resource estimate figures and spatial location of grades.

# MINERAL RESOURCES AND ORE RESERVES STATEMENT

## Note 2 - Comparison with Previous Mineral Resource Estimate

There has been no change in this Mineral Resource estimate in relation to the Mineral Resource estimate stated as at 30 June 2014. Accordingly, no comparison is provided.

## Note 3 - Annual Review

The Company has engaged H&SC to complete the annual review of Mineral Resources and Ore Reserves for the Sunny Corner deposit for reporting as at 30 June 2015. H&SC is an independent Mineral Resources estimation consulting practice located in Sydney, New South Wales. H&SC maintains best in class industry standard governance arrangements and internal controls with respect to the estimation of Mineral Resources.

## JORC 2004 MINERAL RESOURCES AND ORE RESERVES STATEMENT - COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results for the Sunny Corner Deposit is based on information compiled by Dr. Vladimir David, who is a member of the Australian Institute of Geoscientists, a consultant to Argent Minerals, and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr. David consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The data in this report that relates to Mineral Resources for the Sunny Corner Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion of the estimates in the report of the Mineral Resource in the form and context in which they appear.

## DISCLAIMER

Certain statements contained in this report, 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 reserves and mineral resources 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,
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