

DECEMBER 2015 QUARTER ACTIVITIES AND CASH FLOW REPORT

Argent at a glance

ASX-listed mineral resource company focused on the expansion, development, extraction and marketing of its existing base and precious metals discoveries in NSW.

Facts

| | |
|----------------------------------|---------|
| ■ ASX Code: | ARD |
| ■ Share price (19 January 2016): | \$0.023 |
| ■ Shares on issue: | 256.2M |
| ■ Market capitalisation: | \$5.89M |

Directors and Officers

Stephen Gemell
Non-Executive Chairman

David Busch
Managing Director

Peter Nightingale
Non-Executive Director

Peter Michael
Non-Executive Director

Vinod Manikandan
Company Secretary

Contact details

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Highlights:

- Kempfield diamond drilling program commences with significant initial intersections including 1 metre @ 1,065 g/t gold from 97 metres
- Discovery of new mineralisation that supports Argent's Lens 4 interpretation
- Depth potential of Kempfield deposit confirmed to > 400 metres
- Massive sulphide proximity potential
- Potentially significant implications for Kempfield – both in terms of 'size of the prize' as well as mineral composition and grade potential
- Placement of SPP shortfall completed – oversubscribed
- Additional \$317,000 cash from R&D claim and NSW Government funding
- Argent operations streamlined by the relocation of finance and administration functions to Sydney

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report on its performance for the quarter ended 31 December 2015.

Excellent preliminary results have been achieved early in the planned 7 hole 3,200 metre Kempfield diamond drilling program that commenced on 21 October 2015.

On 22 December 2015 Argent announced significant intersections for holes AKDD181 and AKDD180.

Hole AKDD181 intersected very high grade gold, including 1 m @ **1,065 g/t Au** from 97 metres, and both holes intersected copper values, including 1.8 m @ 1.21 % Cu from 136 metres by hole AKDD181.



About the intersections

The intersections are summarised in Table A.

Table A – Summary of significant intersections for the Kempfield Polymetallic Project

| Hole_ID | From (m) | To (m) | Easting/Northing ¹ | Azimuth/Dip | Elevation (mRL) | Hole width | Pb (%) | Zn (%) | Cu (%) | Ag (g/t) | Au (g/t) |
|---------|-------------|--------|-------------------------------|------------------|-----------------|-----------------|--------|--------|-------------|------------|-------------|
| AKDD181 | 97.0 | 98.0 | 708,144mE/ 6,258,406mN | 110° TN/ -55° | 770 | HQ ² | 0.06 | 0.02 | 0.16 | 143 | 1065 |
| AKDD181 | 136.8 | 138.6 | 708,144mE/ 6,258,406mN | 110° TN/ -55° | 770 | HQ | 0.02 | 0.05 | 1.21 | 50 | 2.99 |
| AKDD181 | 382.5 | 384.1 | 708,144mE/ 6,258,406mN | 110° TN/ -55° | 770 | NQ ² | 0.93 | 0.82 | 0.01 | 29 | 0.42 |
| AKDD181 | 407.3 | 407.5 | 708,144mE/ 6,258,406mN | 110° TN/ -55° | 770 | NQ | - | - | - | - | 4.09 |
| AKDD181 | EOH 456.6 m | | | | | | | | | | |
| AKDD180 | 54.0 | 58.0 | 708,029mE/ 6,258,120mN | 110° TN/ -55° | 760 | HQ | 0.45 | 1.19 | 0.45 | 20 | 0.1 |
| AKDD180 | EOH 210.5 m | | | | | | | | | | |

Notes:

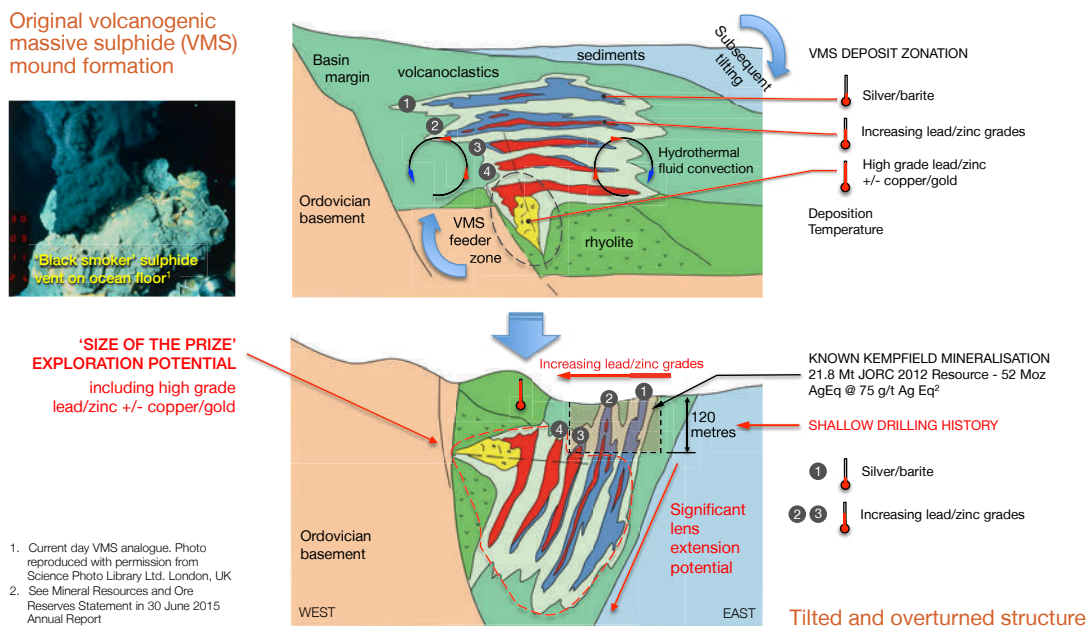
1. Geodetic Datum of Australia 94 (GDA94), projection Map Grid of Australia (MGA), Zone 55.
2. Both HQ and NQ core were sampled as half core.
3. EOH = end of hole.
4. Mineralisation dips steeply westward at approximately 80°. Drillholes AKDD180 and AKDD181 were drilled towards the east, intersecting 70% of downhole length to define true width. Downhole lengths are reported in Table A above.

For further technical details please refer to the ASX announcements dated 22 and 29 December 2015.

Preliminary results confirm key aspects of the Kempfield deposit model predictions

The drilling program was designed to test the Kempfield deposit model shown in Figure 1. Whilst the results are preliminary in nature for this early stage of the program, the intersections confirm key aspects of the model.

Figure 1 – Kempfield deposit genesis model showing the significant potential at depth to be tested by the drilling program.



1. Current day VMS analogue. Photo reproduced with permission from Science Photo Library Ltd. London, UK
 2. See Mineral Resources and Ore Reserves Statement in 30 June 2015 Annual Report

Importantly, the intersections confirm depth extensions of Lens 2 to greater than 400 metres, more than three times the previous drilling limit of approximately 120 metres. The observed alteration intensity also indicates potential proximity to possible massive sulphides.

The intersections also confirm the occurrence of new mineralisation that extends along strike to the north from known mineralisation. This supports earlier interpretations by Argent of a Lens 4 that were based on magnetometric conductivity (MMC) surveys performed in 2014, and symmetry with existing known lenses.

Additionally, this is also the first time that significant copper has been intersected at Kempfield.

The section view in Figure 2 illustrates the extent of the depth extensions confirmed by the drilling, and the confirmed position of the new Lens 4, as intersected by hole AKDD181.

Figure 2 – West-East section view of hole AKDD181 showing intersections in relation to Lenses 2, 3, and the new Lens 4

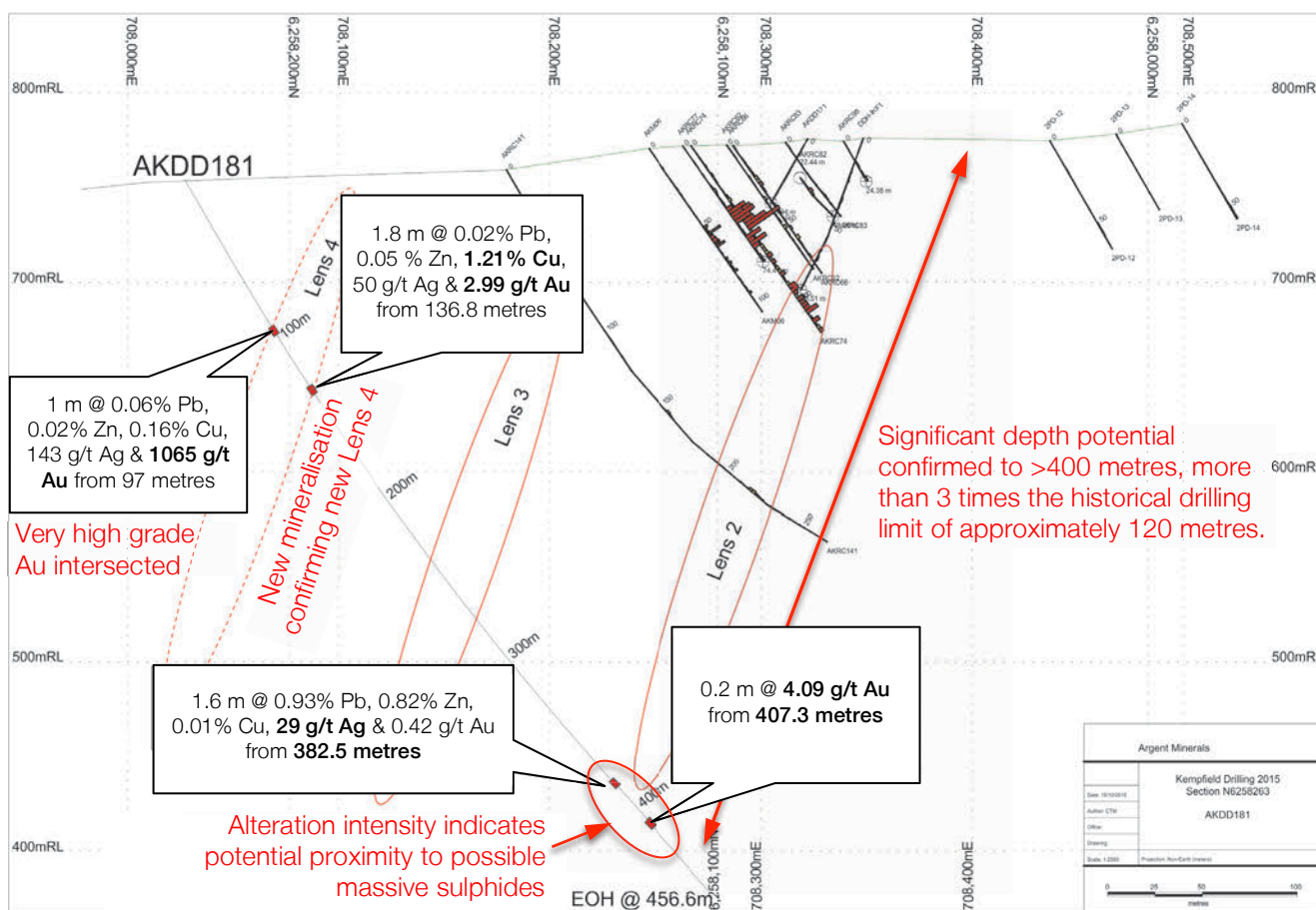


Figure 3 illustrates the interpreted position of interpreted Lens 4 position confirmed by the AKDD180 intersection, and Figure 4 provides a plan view of the drill collar locations in relation to the known lenses and the new Len 4.

Potentially significant implications for the Kempfield project

The implications of these preliminary results are potentially very significant for the Kempfield project in terms of the extent of the mineralisation (or the 'size of the prize'), mineral composition and grade potential.

The Company is continuing to analyse the intersected geochemistry in order to evaluate the potential impact of these results on the scope of the Kempfield project, the potential positions of additional new mineralisation lenses, and to optimise the remainder of the planned 3,200 metre drilling.

Drilling is anticipated to recommence during the first half of February 2016 following completion of this analysis and drill hole design.

Figure 3 – West-East section view of hole AKDD180 showing intersections in relation to Lenses 2, 3, and the new Lens 4

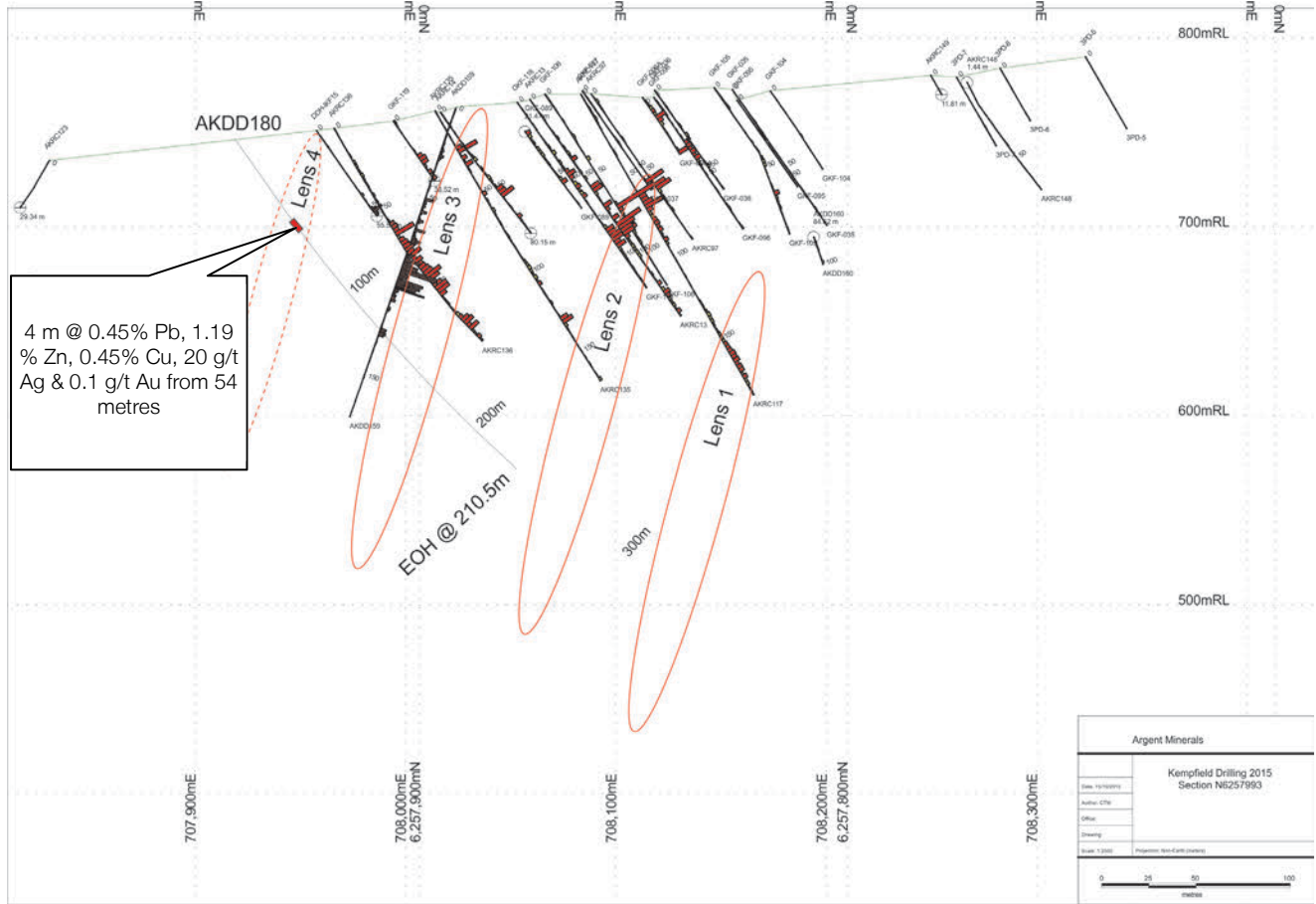
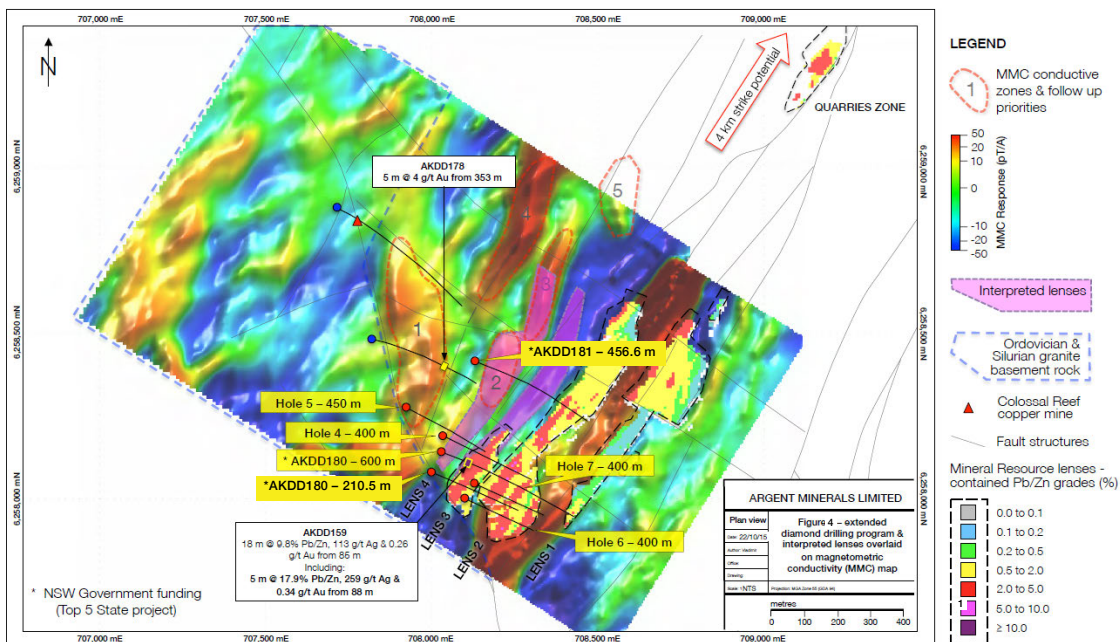


Figure 4 – Plan view showing collar locations of Holes AKDD181 and AKDD180, and the previously interpreted position of the new Lens 4



Share Purchase Plan completed – oversubscribed

Following the appointment of key personnel to the board of directors, and the expansion of the Company’s technical capabilities during September 2015, Argent completed a placement of the shortfall from the Share Purchase Plan (SPP) oversubscribed. This outstanding result was due to strong support from both new and existing shareholders in recognition of the significant potential of Argent and its key projects.

A total of \$1,171,920 capital was raised before costs, comprising \$400,000 in SPP applications received from existing shareholders in June 2015, and the \$771,921 shortfall placed with sophisticated investors, as announced on 19 October 2015.

Additional \$317,000 from R&D Claim and NSW Government funding

Additional funds totalling \$317,000 were procured as a result of the \$269,000 Research and Development (R&D) claim announced on 4 November 2015, and the Company’s final claim in relation to the New South Wales Government Cooperative Drilling Program grant. The New South Wales Government had awarded Argent one of the five largest cooperative drilling grants for Kempfield diamond drilling based on the merit of the project as assessed by an independent panel of geoscience experts.

Relocation of finance and administration functions to Sydney

During the quarter Argent completed the relocation of its finance and administration functions to Sydney in proximity to the head office and the same regulatory jurisdiction as the Company’s main assets – New South Wales, in order to streamline operational efficiencies.

Whilst Argent has always intended to execute this relocation well ahead of any potential production, the Company considered the December 2015 quarter timing of this move to be appropriate, given the significant potential identified by Argent at the Kempfield project, and the intent of the Company to accelerate progress during 2016 and beyond.

Cash

The Company’s cash balance as at 31 December 2015 was approximately \$913,000.

Appendix 5B is attached to this announcement.

For further information please contact:

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Managing Director

Argent Minerals Limited

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APPENDIX A

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

Table 1 – Mining Tenement¹ Interest Activities for the Quarter Ended 31 December 2015

| Tenement Identifier | Location | Interest Acquired During Quarter | Interest Divested During Quarter | Interest Held at End of Quarter |
|---------------------|----------|----------------------------------|----------------------------------|---------------------------------|
| Kempfield | | | | |
| 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% |
| West Wyalong | | | | |
| EL5915 (1992) | NSW | - | - | 51% ² |
| EL8001 (1992) | NSW | - | - | 51% ² |
| Sunny Corner | | | | |
| EL5964 (1992) | NSW | - | - | 70% ³ |

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 (JVA), Argent has the right to earn 51%, then 70%. The tenement holder is Golden Cross Operations Pty Ltd (GCO).
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.

COMPETENT PERSON STATEMENTS

Previously Released Information

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

- 10 March 2014 Assays Confirm Third VMS Lens Group at Kempfield – Revised.
- 25 February 2015 Hole 1 intersects significant gold grades at Kempfield.
- 21 April 2015 Hole 2 increases potential size of the prize at Kempfield.
- 29 April 2015 Extended reach for Kempfield deep diamond drilling program.
- 4 September 2015 Annual Report to shareholders – Mineral Resources and Ore Reserves Statement.
- 22 December 2015 Significant intersections at Kempfield including Cu and Au.
- 29 December 2015 Significant Kempfield intersections – summary table.

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements, and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

DISCLAIMER

This ASX announcement has been prepared by Argent. It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this announcement.

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

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

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

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral resources and mineral reserves and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;

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

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

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

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Argent Minerals Limited

ABN

84 124 780 276

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|-----------------------------------------------------------------|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration & evaluation | (395) | (597) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (286) | (504) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 2 | 4 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (R&D Tax Incentive and NSW Drilling Grant Received) | 317 | 304 |
| Net Operating Cash Flows | (362) | (793) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | (5) | (5) |
| 1.9 Proceeds from sale of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | (5) | (5) |
| 1.13 Total operating and investing cash flows (carried forward) | (367) | (798) |

+ See chapter 19 for defined terms.

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

| | | | |
|------|------------------------------------------------------------|------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (367) | (798) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 771 | 1,171 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (Capital Raising Costs) | - | (66) |
| | Net financing cash flows | 771 | 1,105 |
| | Net increase (decrease) in cash held | 404 | 307 |
| 1.20 | Cash at beginning of quarter/year to date | 509 | 606 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 913 | 913 |

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

| | | Current quarter \$A'000 |
|------|------------------------------------------------------------------|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 109 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |
| 1.25 | Explanation necessary for an understanding of the transactions | |
| | N/A. | |

Non-cash financing and investing activities

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

777,817 ordinary shares were issued as part consideration under the Option to purchase Box Hill farm as announced by the Company on 26 June 2013.

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

N/A.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 400 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 200 |
| Total | 600 |

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 425 | 12 |
| 5.2 Deposits at call | 488 | 497 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 913 | 509 |

Changes in interests in mining tenements and petroleum tenements

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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

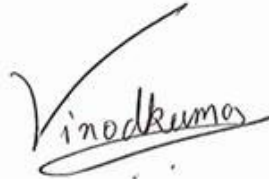
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|------|--------------|---------------|-----------------------------------------------|--------------------------------------------------|
| 7.1 | | | | |
| | 1,500,000 | | | |
| | 1,000,000 | | | |
| 7.2 | | | | |
| | Nil | | | |
| 7.3 | 255,756,993 | 255,756,993 | | 100% |
| 7.4 | | | | |
| | 35,347,324 | 35,347,324 | \$0.22 | |
| | 777,817 | 777,817 | | |
| | Nil | | | |
| 7.5 | Nil | | | |
| 7.6 | Nil | | | |
| 7.7 | 184,486,893 | 184,486,893 | Exercise price \$0.175 | Expiry date 31 March 2016 |
| | 6,574,000 | - | \$0.25 | 29 August 2016 |
| 7.8 | 35,087,324 | 35,087,324 | \$0.175 | 31 March 2016 |
| 7.9 | Nil | | | |
| 7.10 | Nil | | | |
| 7.11 | Nil | | | |
| 7.12 | Nil | | | |

+ See chapter 19 for defined terms.

Compliance statement

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



Sign here: Date 20 January 2016.
(~~Director~~ /Company secretary)

Print name: Vinod Manikandan.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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