

MARCH 2016 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 (28 April 2016):	\$0.033
■ Shares on issue:	299.6M
■ Market capitalisation:	\$9.89M

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 high impact 12 hole 3,300 metre diamond drilling program commenced and ongoing
- Drilling of 2 holes completed with encouraging mineralisation observations
- Mineral resource estimate review planned to follow completion of drilling campaign, assays and analysis
- West Wyalong Project 70% earn-in date extended from 9 January 2015 to 30 June 2017 with the earn-in expenditure requirement reduced to \$372,570
- Successfully raised \$868,000 by share placement offer with a strong response from existing and new sophisticated and professional investors
- Strong cash position - approximately \$1.4 million as at 31 March 2016

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report on its performance for the quarter ended 31 March 2016.

On 18 March 2016 Argent commenced a 12 hole, 3,330 metre program at Kempfield. With historical drilling generally limited to a relatively shallow depth of only 120 metres, the drilling campaign has been designed to test the potential for an increase in tonnes and grade at depth and along strike in order to progress the Kempfield project toward economic viability and mining operations.

Early visual observations of mineralisation are encouraging, and Argent is planning to review the Kempfield Mineral Resource estimate on completion of the drilling campaign and analysis of the assay results.

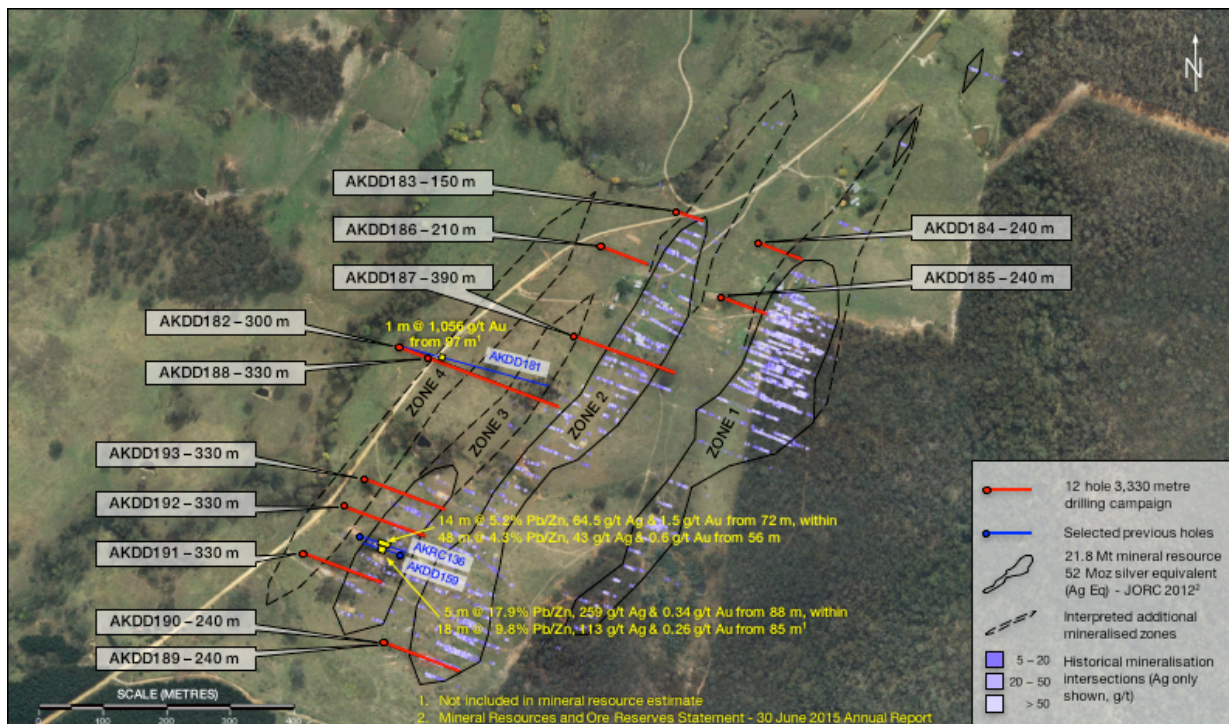


High impact drilling campaign strategy and design

The 12 hole, 3,330 metre drilling campaign has been designed to:

- Follow up of areas of high grade mineralisation previously intersected at Kempfield:
 - The northern area of the deposit, including the central area where **1 m @ 1,065 g/t Au** from 97 m was intersected by hole AKDD181; and
 - The south-western area of the deposit, where previous high grade precious and base metal intersections include **5 m @ 17.9% Pb/Zn, 259 g/t Ag and 0.34 g/t Au** from 88 m (by hole AKDD159), and **14 m @ 5.2% Pb/Zn, 64.5 g/t Ag & 1.5 g/t Au** from 72 m within **48 m @ 4.33% Pb/Zn, 43 g/t Ag and 0.6 g/t Au** from 56 m (by hole AKRC136).
- Identify key areas of continuity down-dip and along strike from known mineralisation.
- Provide further data for 3D geometric modelling to be used in a review of the current Kempfield resource estimate.

Figure 1 – Plan view of the 12 hole 3,330 metre drilling campaign design



The drilling program is led by an exploration team with a proven track record in grade and tonnage discovery, including state of the art technology and support from the Centre of Excellence in Ore Deposits (CODES) – renowned for its track record in major volcanic-hosted massive sulphide (VHMS) deposit discovery.

The CODES technical team providing analytical support to the Kempfield exploration team is led by Professor Ross Large, and includes Dr. Tony Crawford - who provided initial exploration guidance to Sirius Resources that is considered to have been instrumental in the discovery of the Nova deposit.

Sirius Resources was subsequently taken over by Independence Group for **A\$1.8 billion**.

Drilling progress and positive early visual results

The first two holes (AKDD182 and AKDD183) were completed during the quarter, with significant progress made on additional holes drilled subsequent to the quarter as the Company continues the program on a 24/7 basis.



Assay results are pending, however, initial visual observations of drill core for both holes are encouraging, with preliminary visual analysis reported on 13 April 2016.

AKDD182 intersected areas of strong chlorite alteration and silicification associated with a series of concordant quartz veins in a position considered to be continuous from AKDD181. AKDD182 also intersected a zone of stringer chalcopyrite (copper) at 71 m with cross-cutting pyrrhotite veins.

Visual evidence of pyrrhotite and chalcopyrite was observed at various intervals throughout the lower portion of the drillhole. These observations are consistent with the type of mineralisation that can be expected in the higher temperature and pressure formation conditions associated with the footwall position of a VHMS deposit.

The second hole in the program, AKDD183, intersected a series of variably mineralised zones throughout the extent of the drillhole, including red-brown sphalerite (zinc) and galena (silver, lead).

Figure 2 – Red-brown sphalerite (zinc), galena (lead, silver) and pyrite intersected by hole AKDD183 from 46 to 50 m



The prevalence of honey-brown, low-iron sphalerite in mineralised intersections at depth, along with a strong association with barite and silver sulphosalts, indicates that the bulk of the sulphide mineralisation remains unaffected by later orogenic events seen in the area.

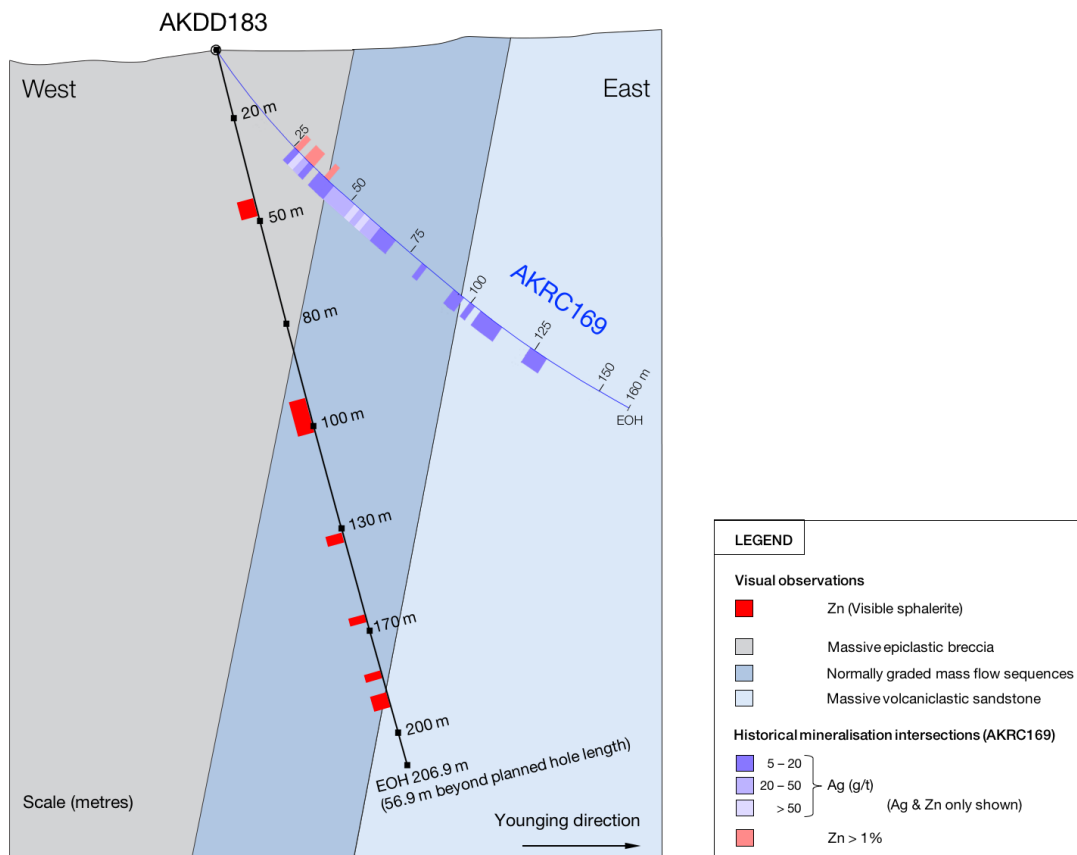
Figure 3 – Honey-brown sphalerite (zinc) and silver sulphosalts intersected by AKDD183 at 95.5 m (left) and 98.6 m (right)



Whilst these are visual observations only and subject to assays pending, these preliminary results indicate that mineralisation extends along strike and at depth from that intersected by historical drilling in Zone 2.



Figure 4 – Section showing visual AKDD183 observations in relation to known mineralisation



Drilling has now shown that sulphide mineralisation is continuous and predictable, which will provide further efficiencies in coming resource delineation work.

Mineral resource review

Argent is planning to review the Kempfield Mineral Resource estimate on completion of the drilling campaign and analysis of the assay results. The drilling campaign has been designed to test the potential for an increase in tonnes and grade in order to progress the Kempfield project toward economic viability and mining operations.

70% Earn-in terms extended for West Wyalong project

During the quarter new terms and conditions were agreed with Golden Cross Operations Pty Ltd (GCO) for the West Wyalong project. Under the new terms and conditions, Argent now has until 30 June 2017 to increase its 51% interest to 70% interest, an extension of approximately 18 months beyond the previous 70% earn-in date of 9 January 2016.

Having invested a total of \$977,430 in the project as at 2 December 2015, it was agreed that the balance of Argent’s \$1,350,000 total commitment to earn 70% is reduced to \$372,570 (from 2 December 2015 onward), including an additional \$50,000 project expenditure that was agreed as part of the extended terms.

The remaining \$372,570 expenditure commitment will include \$200,000 of direct in-ground expenditures that have been defined to comprise, for example, geophysics surveys and analysis, and all drilling related work. These amounts and progress will be updated in future announcements as exploration expenditure continues on the project.

Share placement with sophisticated investors successfully completed

Argent successfully completed a share placement offer raising a total of \$868,000 before costs with sophisticated

investors as announced on 15 March 2016. 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.

Cash

The Company's cash balance as at 31 March 2016 was **\$1,405,000**.

Appendix 5B is attached to this announcement.

For further information please contact:

David Busch

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 March 2016

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 earned a 51% interest, and may earn 70% by investing a further \$372,570 by 30 June 2017. 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.
- 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.
- 9 February 2016 70% earn-in terms extended for the West Wyalong Project.
- 10 March 2016 Argent Private Placement – High Impact Drilling Campaign.
- 30 March 2016 Kempfield Drill Plan Strategy Begins to Deliver Results.
- 13 April 2016 Kempfield Drilling Update- Positive Drill Core Visuals.

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.

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 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(204) - - (104)	(801) - - (608)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	8
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)	-	304
Net Operating Cash Flows	(304)	(1,097)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (1)	- - (6)
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	(1)	(6)
1.13 Total operating and investing cash flows (carried forward)	(305)	(1,103)

+ 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)	(305)	(1,103)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	868	2,039
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)	(71)	(137)
	Net financing cash flows	797	1,902
	Net increase (decrease) in cash held	492	799
1.20	Cash at beginning of quarter/year to date	913	606
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,405	1,405

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	106
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

N/A.

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	500
4.2 Development	-
4.3 Production	-
4.4 Administration	180
Total	680

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	113	425
5.2 Deposits at call	1,292	488
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,405	913

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

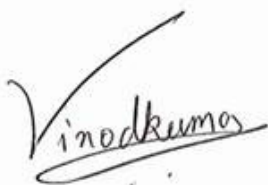
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities			
	Tranche 1 Performance Rights	1,500,000		
	Tranche 2 Performance Rights	1,000,000		
7.2	Changes during quarter			
	(a) Increases through issues	Nil		
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	299,605,426	299,605,426	100%
7.4	Changes during quarter			
	(a) Increases through issues	43,848,430	43,848,430	\$0.020
		3	3	\$0.175
	(b) Decreases through returns of capital, buy-backs	Nil		
7.5	+Convertible debt securities (description)	Nil		
7.6	Changes during quarter			
	(a) Increases through issues	Nil		
	(b) Decreases through securities matured, converted			
7.7	Options (description and conversion factor)		Exercise price	Expiry date
		6,574,000	\$0.25	29 August 2016
7.8	Issued during quarter	-	-	-
7.9	Exercised during quarter	3	\$0.175	31 March 2016
7.10	Expired during quarter	184,486,890	\$0.175	31 March 2016
7.11	Debentures (totals only)	Nil		
7.12	Unsecured notes (totals only)	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:
(~~Director~~ /Company secretary)

Date 29 April 2016

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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+ See chapter 19 for defined terms.