

JUNE 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 (26 July 2016):	\$0.034
■ Shares on issue:	318.4M
■ Market capitalisation:	\$10.83M

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 12 hole diamond drilling program completed at 3,167 metres, with first half of assays confirming the presence of semi-massive sulphides and a VHMS footwall position, as well as strike and significant depth extensions to known mineralisation.
- West Wyalong IP survey reveals additional gold target and potential for broad alteration system. Theia and Narragudgil gold targets to be drill-tested.
- Kempfield exploration expanded to include Trunkey Creek and Pine Ridge gold fields as Argent prioritises gold focus following numerous gold occurrences intersected including the spectacular **1m @ 1,065 g/t Au from 97m** intersection by hole AKDD181.
- Substantial drill program preparations underway for West Wyalong, and at Kempfield where the detailed 3D model will provide valuable insight and guidance in the Company's methodical pursuit of high grade base and precious metals.
- With \$1.75M raised after the quarter by a heavily oversubscribed private placement, Argent commences 2016/17 financial year in strong cash position and outlook.

Argent Minerals Limited (ASX: ARD, Argent or the Company) is pleased to report on its performance for the quarter ended 30 June 2016.

The 12 hole Kempfield diamond drilling program was completed at 3,167 metres, with the first half of the assays confirming the achievement of several key milestones in the pursuit of high grade base and

precious metals at Kempfield.

Kempfield diamond drilling program highlights

Highlights of the results to date include the intersection of semi-massive sulphides, and the confirmation of a footwall position within a volcanic-hosted massive sulphide (VHMS) mineralisation system. These are significant milestones in the Company's pursuit of high grade base and precious metals at the Kempfield project.

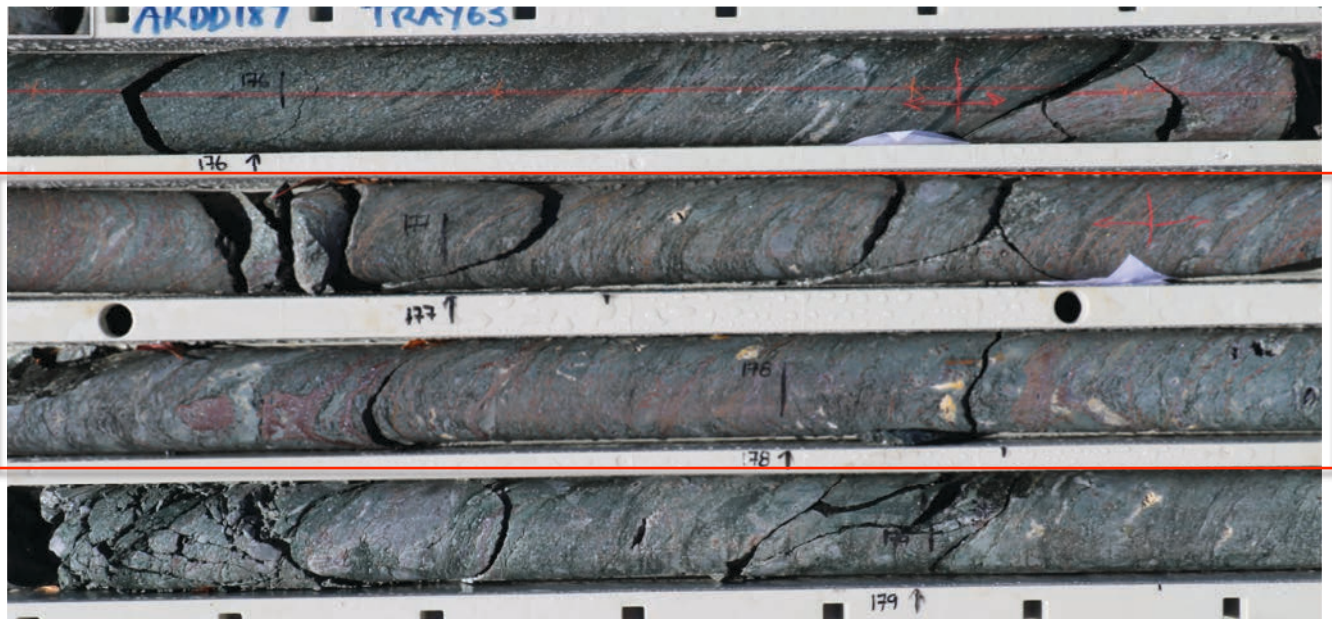
AKDD187, for example, intersected 4 distinct lenses with higher grade cores and **some of the highest assays received to date at Kempfield:**

- 4.2m @ 3.1% Pb, 4.8% Zn (7.9% Pb+Zn), 26 g/t Ag and 0.4 g/t Au from 175.2m,
 - including 2m @ 4.5% Pb, 7.2% Zn (11.7% Pb+Zn), 39 g/t Ag and 0.3 g/t Au from 176.4m; and
- 4m @ 95 g/t Ag from 325.6m,
 - including 1m @ 176 g/t Ag from 328.6m.

These results also confirm significant depth extensions to known mineralisation, which had generally been limited to around 120 metres by historical drilling.

Figure 1 shows a section of the AKDD187 drill core where semi-massive sulphides were intersected. The nature of the observed mineralisation is indicative of a higher temperature gradient in the area, with which higher grades are associated. Mineralisation also remains open at depth.

Figure 1 – AKDD187 drill core section showing semi-massive sulphides intersected from 177.4m to 178.4m



Drilled from the same collar position as hole AKDD181 but at a steeper angle, hole AKDD182 was designed to determine the main trend of gold mineralisation intersected in AKDD181 (**1m @ 1,065g/t Au from 97m**), and to test a potential footwall position to the Kempfield Central area.

Highly anomalous copper results were coincident with elevated gold and silver values for hole AKDD182.

Importantly, detailed core logging confirmed the coincidence of stringer pyrrhotite, chalcopyrite and pyrite which is consistent with a footwall position in a VHMS system and the potential for associated massive sulphides featuring high grade silver/lead/zinc and, potentially, copper and gold.

This confirmation of a footwall position within a VHMS system is a significant milestone in the pursuit of high grade base and precious metals associated with a feeder zone.

Geophysics (eg. magnetic) will be employed next to narrow down prospective feeder zone positions in preparation for further drill testing.

Figure 2 displays a photo of the drill core including where AKDD182 intersected 0.6m @ 0.8 % Cu, 44 g/t Ag and 0.8 g/t Au from 89.9m, and Figure 3 provides a plan view of the location of the holes for the results to date.

Figure 2 – AKDD182 drill core including intersection of 0.6m @ 0.8% Cu, 44 g/t Ag and 0.8 g/t Au from 89.9m

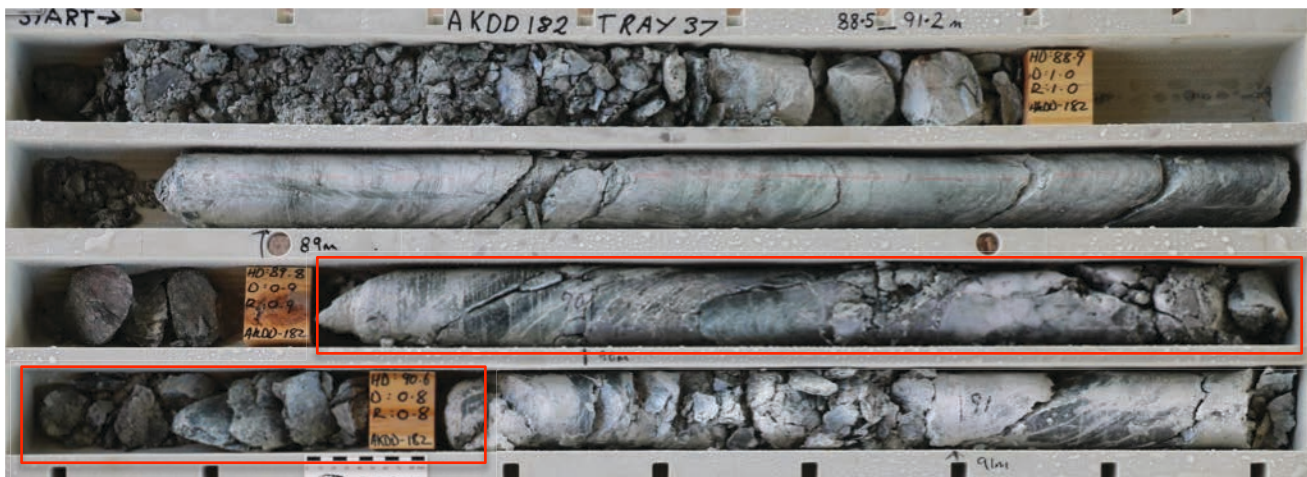
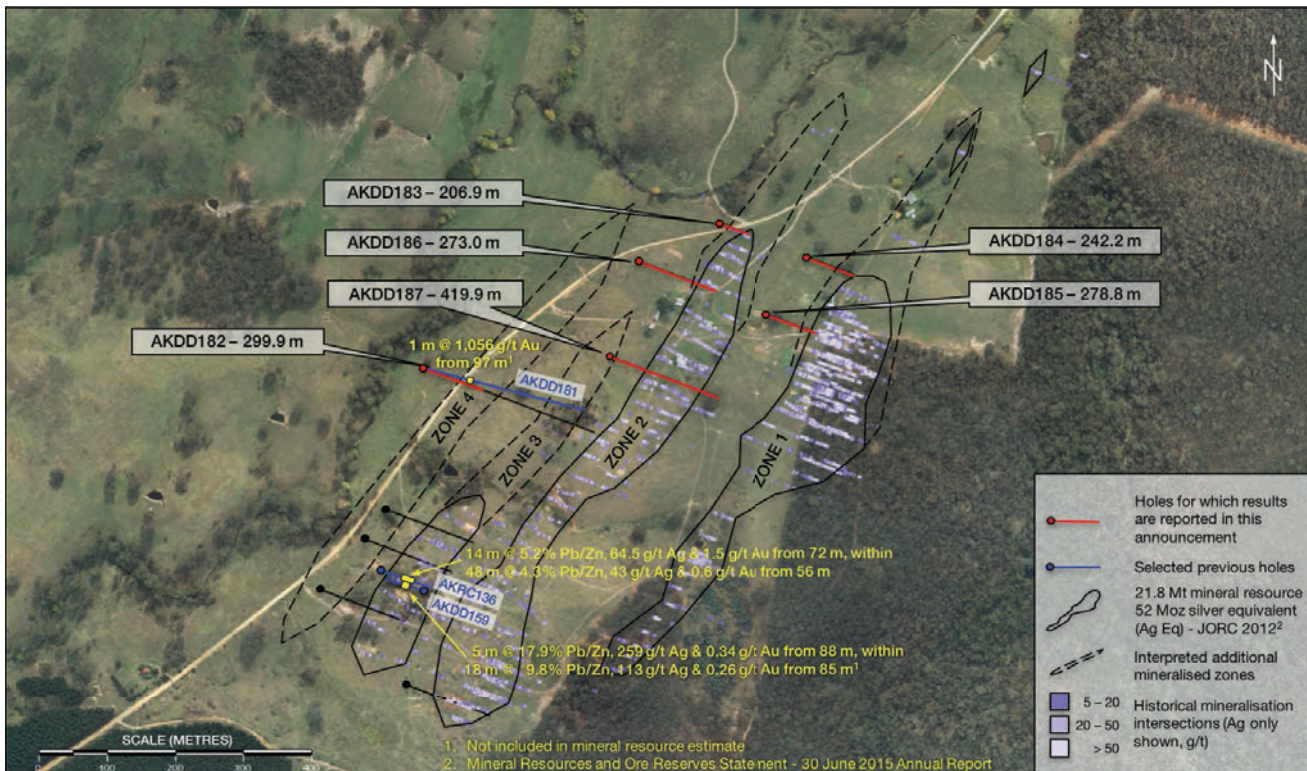


Figure 3 – Plan view of hole locations reported in this announcement – AKDD182 – AKDD187 inclusive





A new mineralisation zone (Zone 4) has been identified, as well as new discrete lenses, significantly increasing Argent’s understanding of the Kempfield VHMS system, and key to on-going drill testing for additional mineralisation.

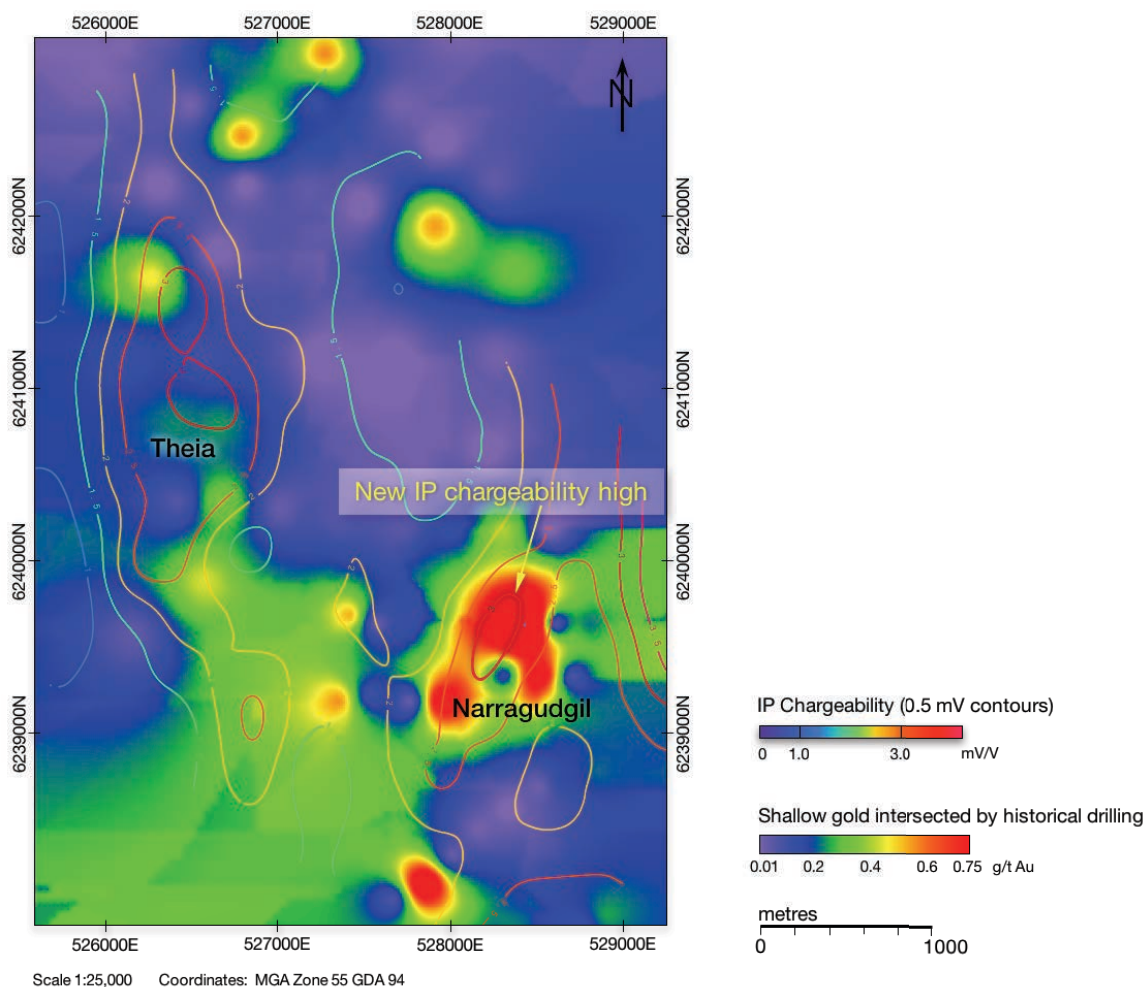
Numerous gold intervals have also been intersected throughout the drill holes, including **0.7m @ 5.1 g/t Au from 32.3m** by hole AKDD185, adding to the growing database of gold occurrences intersected at Kempfield and the gold prospectivity that was highlighted by the spectacular AKDD181 intersection of **1.0m @ 1,065 g/t Au from 97m**.

About the additional West Wyalong gold target

During the quarter Argent reported results of the follow-up induced polarisation (IP) geophysics survey performed at the Company’s West Wyalong project in March 2016. The result of the geophysical surveys and analyses performed by Argent is that two targets have now been identified and delineated for drill testing at the West Wyalong project – the previously identified large porphyry copper-gold target, Theia, and the new target, Narragudgil. Each target has a coincident magnetic low, IP chargeability high and anomalous gold geochemistry.

The Theia and Narragudgil anomalies are potential indicators of broad alteration systems resulting from intrusive-related hydrothermal activity.

Figure 4 – IP chargeability high contours horizontal slice at 340m depth against shallow gold geochemistry* (plan view)



* Displayed data has been filtered with a bottom cut of 0.01g/t Au and a top cut of 0.75g/t Au.

The historical drilling was of insufficient depth to test the newly identified IP chargeability anomalies.

Under the recently renegotiated terms of the West Wyalong project joint venture agreement with Golden Cross Operations Pty Ltd (JVA), Argent is able to increase its current 51% interest to 70% by investing a further \$372,500 in JVA exploration expenditure by 30 June 2017, including \$200,000 of in-ground expenditure.

Since these amounts are referenced to 2 December 2015, subsequent qualifying expenditures such as the March 2016 IP survey and related work is deductible, leaving a decreased balance of expenditures required to achieve the 70% interest.

In order to reflect Argent's 51% controlling interest in the project, and in the interests of administrative efficiency, the project tenements EL5915 and EL8001 were consolidated into a single tenement EL8430 granted to Argent for a three year term to 20 April 2019.

Kempfield exploration expanded to include Trunkey Creek and Pine Ridge goldfields

Subsequent to the June quarter Argent announced on 14 July 2016 that the Company is also expediting exploration work at the Trunkey Creek and Pine Ridge gold projects.

Under the announced shallow gold strategy, the Company will investigate the potential for local shallow satellite projects to contribute feedstock to a future Kempfield mine that would have the capability of processing gold ore, and in so doing, boost the economics toward overall viability for the Kempfield project.

Being located within Argent's main Kempfield tenement EL5748, the Mt. Dudley and Trunkey Creek goldfields are well-placed to provide potential shallow gold feedstock.

Additionally, the successful application for exploration licence EL8213 approximately 7 kilometres to the south forms a low acquisition cost addition to the Kempfield gold assets, whilst also positioning the Company favourably to take advantage of the recent increased market interest in gold.

Located in the exploration licence EL8213 area is the historic Pine Ridge gold mine, for which publicly available records of historic drilling intersections and resource estimations are available in the NSW Government Mineral Resources & Energy online DIGS database.

Argent has commenced a review of the DIGS database reports of potentially significant gold intersection values at Pine Ridge, to enable reporting in accordance with JORC 2012.

Preparations including access agreements are underway for initial field reconnaissance work to be conducted at the Trunkey Creek and Pine Ridge goldfields. The field reconnaissance work will consist of local geological mapping and geochemical sampling to prioritise locations for further investigation, or to determine if any geophysical survey application is warranted in the process of defining potential drill targets.

Substantial drill program schedule

Substantial drill programs are under preparation for Kempfield and West Wyalong, where diamond drilling will be conducted.

The Company envisages low cost reverse circulation (RC) drilling to be the preferred drilling method for obtaining relatively quick, potentially high impact shallow gold results from the Trunkey Creek and Pine Ridge goldfields and throughout the EL8213 tenement.

Details of the drilling programs and scheduling will be announced following finalisation of the complex process of access agreements, regulatory approvals, and detailed logistics associated with what the Company is planning to be a substantial program of drilling for the 2016/17 financial year.

In the case of the main Kempfield deposit, the design of the drilling program will follow the completion of the detailed 3D deposit model update to incorporate the results of all recent drilling programs completed to date. This will be the first detailed 3D model that has been constructed for the deposit since Kempfield exploration began in the 1970s, containing comprehensive stratigraphic, structural, geochemical and geophysical data.



In addition to providing crucial guidance on the next stages of drill testing for VHMS-related zinc, lead, copper, silver and gold mineralisation, the 3D model will provide valuable insight into the nature of the emerging overprint gold system deposited in a later stage process at Kempfield.

Strong cash position and funding outlook

The Company's cash balance as at 30 June 2016 was **\$649,000**, including \$348,000 received in relation to the **\$1.75 million** heavily oversubscribed private placement to sophisticated investors announced on 28 June 2016. The remaining placement funds will be received by the Company in August following shareholder approval of the placement.

The Company is also anticipating an R&D rebate to be received in the coming months that is anticipated to be substantial in comparison to that received in November 2015.

Appendix 5B is attached to this announcement.

For further information please contact:

David Busch

Managing Director

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APPENDIX A

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

Table 1 – Mining Tenement¹ Interest Activities for the Quarter Ended 30 June 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				
EL8430 (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> :

- 22 December 2015 Significant intersections at Kempfield including Cu and Au¹; and
- 13 May 2016 West Wyalong IP survey reveals additional gold target¹;
- 15 June 2016 High grade zinc lead silver and gold added to Kempfield¹

Competent Person:

1. Clifton Todd McGilvray

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Argent Minerals Limited

ABN

84 124 780 276

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,064)	(1,865)
(b) development	-	-
(c) production	(22)	(630)
(d) administration		
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	12
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	(1,082)	(2,179)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(7)
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 – Bank guarantee for tenements	(21)	(21)
Net investing cash flows	(22)	(28)
1.13 Total operating and investing cash flows (carried forward)	(1,104)	(2,207)
1.13 Total operating and investing cash flows (brought forward)	(1,104)	(2,207)

+ See chapter 19 for defined terms.

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

	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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 – Advance monies received from Placement net of costs.	348	211
	Net financing cash flows	348	2,250
	Net increase (decrease) in cash held	(756)	43
1.20	Cash at beginning of quarter/year to date	1,405	606
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	649	649

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	105
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

697,263 ordinary shares were issued as part of 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.

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	300
4.2 Development	-
4.3 Production	-
4.4 Administration	105
Total	405

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	123	113
5.2 Deposits at call	165	1,292
5.3 Bank overdraft	-	-
5.4 Other – Advance monies received from Placement.	361	-
Total: cash at end of quarter (item 1.22)	649	1,405

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	West Wyalong EL5915 and EL8001	EL 5915 and EL 8001 was consolidated into one single tenement namely, EL8430	EL5915 EL8001	EL8430
6.2 Interests in mining tenements and petroleum tenements acquired or increased	nil			

Issued and quoted securities at end of current quarter

+ See chapter 19 for defined terms.

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

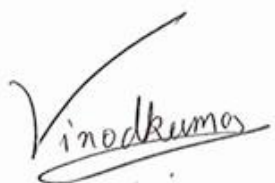
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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 Tranche 2 Performance Rights	1,500,000 1,000,000			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 +Ordinary securities	300,302,689	300,302,689		100%
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	697,263 Nil	697,263	\$0.029	Nil
7.5 +Convertible debt securities (<i>description</i>)	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7 Options (<i>description and conversion factor</i>)	6,574,000	-	Exercise price \$0.25	Expiry date 29 August 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (<i>totals only</i>)	Nil			
7.12 Unsecured notes (<i>totals only</i>)	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 27 July 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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